Tax Organzing 101: Categorizing Your Tax-Related Documents

Keeping your tax records organized may seem daunting, but if you keep your supporting documents organized throughout the year, completing your return goes much easier and faster. As you accumulate various forms, receipts and financial reports from banks, investments and lenders, keep them separated by category so you or your tax preparer can find information easily.

Use your previous year's return as an aid to creating your categories for current year tax paperwork. If you work with a tax advisor, ask him or her which categories would be most helpful.

Here are some typical categories that individuals may have:

Income

- Wages, salary, tips, bonuses
- Investment income
- Capital gains/losses
- Interest income
- Taxable dividend income
- Tax-exempt dividends
- Business Income
- Social Security benefits
- IRA/Pension distributions
- State and local tax refunds
- Unemployment benefits
- Rental income
- Alimony, scholarship or jury duty income
- Gambling winnings
- Sales of property
- Sales of real estate
- Long-term care distributions

Deductions

- Mortgage Interest
- Interest paid
- Real estate taxes
- Residential energy credits
- Property taxes paid

Exemptions

- Earned income credit
- Adoption expenses
- Vehicle registrations and taxes
- Education expenses
- Student loan interest paid
- Charitable contributions
- Medical expenses
- Sales and income taxes paid
- Contributions to IRAs
- Investment interest paid
- Investment expenses
- Employment expenses
- Tax preparation fees
- Moving expenses
- Alimony paid

Miscellaneous

- Household employee wages
- Filing extensions
- Estimated tax payments
- Alternative minimum tax

Personal information

You may also want to create a category of personal information for yourself and your family. This would include your name, address, marital status, dependants, occupation, state of residence and social security numbers.

Use this list as a starting point for deciding which categories you need to keep your tax-related documents organized. Select the topics that apply to your tax situation.