

Should You Hire A Pro For Your Taxes?

As tax time rolls around you may be finding yourself wondering how to best spend your money:

- On the gas to drive to a government building to pick up some tax forms
- On tax preparation software to do taxes on your own
- On a tax professional who can do your taxes for you

There's no blanket right answer to this question. However, in certain situations it may make sense to hire a professional. For example, you may want to turn it over to a preparer if you:

- Are concerned about a mistake costing you money
- Are reporting the sales of non-retirement investments or have a large amount of investments in general
- Have self-employed income and want to make sure you get all the deductions you are entitled to
- Had multiple sources of income
- Had investment property income
- Had a short sale on your home during the tax year
- Don't feel you will have the time to accurately and thoroughly complete your taxes on your own
- Want to have someone who knows your situation and can provide you with good tax advice throughout the year
- Are being audited
- Are concerned about recent changes in tax laws
- Have received a large inheritance
- Went through a divorce during the tax year
- Have children from a previous marriage
- Bought or sold a home
- Have numerous itemized deductions
- Have started your own business
- Had debt cancelled in the tax year
- Went through bankruptcy
- Supported people who aren't your children
- Own employee stock options
- Had large medical expenses

With taxes it's better to be safe than sorry. Not only could a mistake mean owing more than you thought, but it could result in needing to pay a penalty too. If your tax situation seems pretty straightforward, then doing your taxes on your own is fine. But if there is something you aren't particularly clear on, it's a good idea to get advice from someone more familiar with tax law.