Taxes At Your Table

2026 Year-End Tax Checklist

Preparing for the 2027 Filing Season

Tax season becomes much less stressful when you take a few minutes now to get organized. A little planning before year-end can help you avoid surprises, reduce the chances of missing valuable tax benefits, and make filing your return quicker and easier.

Need Help Before Year-End?

If you experienced a major life change, started a side business, retired, sold a home, or owed taxes last year, contact us before year-end. A quick review now could help avoid surprises when you file.

Here are seven important items to review before the end of 2026.

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1. Review Your Tax Withholding

If you received a large refund or owed a significant amount when you filed your last return, now is a good time to review your withholding.

Changes such as the following can affect how much tax should be withheld throughout the year:

- Starting a new job
- Working multiple jobs
- Getting married or divorced
- Having a child
- Receiving retirement income
- Starting a side business or self-employment activity

The goal is not necessarily to get a refund. The goal is to have enough tax withheld to avoid a large balance due while keeping more of your money available throughout the year.

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2. Gather Information About Major Life Changes

Many life events can have a significant impact on your tax return.

Please let us know if any of the following occurred during 2026:

- Marriage
- Divorce
- Birth or adoption of a child
- Childcare expenses
- College attendance
- Home purchase or sale
- Retirement
- Death of a spouse or dependent
- Significant medical expenses
- New business activity
- Changes in custody arrangements
- Dependent children aging out of credits

Providing this information early helps ensure that all available deductions, credits, and tax-saving opportunities are considered.

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3. Organize Your Tax Documents

Creating a tax folder now can save considerable time later.

Common documents include:

- W-2 forms
- 1099 forms
- Mortgage interest statements
- Property tax statements

- Charitable contribution receipts
- Brokerage statements
- Retirement distribution statements
- Business income and expense records

Having your documents organized before tax season helps us prepare your return more efficiently and accurately.

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4. Review Retirement Contributions

Contributing to retirement accounts can help you build your future savings while potentially reducing your current tax liability.

Consider whether you have contributed as much as you would like to:

- Employer retirement plans
- Traditional IRAs
- Roth IRAs
- SEP IRAs
- SIMPLE IRAs

Even modest increases in retirement contributions can make a meaningful difference over time.

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5. Track Side Income and Business Activity

The IRS continues to focus on income earned outside of traditional employment.

Examples include:

- Self-employment work
- Freelance services
- Gig economy income
- Online sales
- Rental activities

- Contract work

Be sure to keep records of:

- Income received
- Business expenses
- Vehicle mileage
- Equipment purchases
- Professional dues and fees
- Home office expenses, if applicable

Good records not only simplify tax preparation but can also help ensure you receive every deduction you are entitled to claim.

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6. Keep Track of Health Insurance Information

If you purchased health insurance through MNsure or another Health Insurance Marketplace, keep any tax forms you receive, including Form 1095-A.

Missing health insurance information is one of the most common reasons for delays in preparing and filing tax returns.

Keeping these documents with your tax records can help avoid unnecessary delays.

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7. Don't Ignore IRS or State Tax Notices

If you receive a letter from the IRS or a state tax agency, contact our office as soon as possible.

Many notices have response deadlines. Addressing them promptly can help prevent:

- Additional penalties
- Interest charges
- Collection activity
- Refund delays

Even if a notice does not include a bill, it is important to review it carefully.

If you're not sure what a notice means or how to respond, contact our office before taking any action. Many tax notice issues can be resolved more easily when addressed promptly.

Common Issues We're Seeing for 2026

Interest Income May Be Higher Than Expected

Many taxpayers continue to earn significant interest from savings accounts, certificates of deposit, money market accounts, and high-yield savings accounts.

As a result, many taxpayers may receive larger Form 1099-INT statements than they have in previous years. Be sure to keep all interest statements for tax preparation.

Side Income Remains an Area of IRS Focus

Whether income comes from freelance work, online platforms, payment apps, contract labor, or a part-time business, all taxable income generally must be reported, even if you do not receive a tax form.

Maintaining complete records throughout the year can make tax season much easier and help support any deductions claimed.

Estimated Tax Payments Can Prevent Penalties

Taxpayers receiving income without withholding should review whether quarterly estimated tax payments are appropriate.

This commonly affects:

- Self-employed individuals
- Retirees
- Investors
- Rental property owners
- Individuals with substantial miscellaneous income

Waiting until April to pay can sometimes result in underpayment penalties, even when the balance is ultimately paid in full.

Identity Theft and Tax Scams Continue

Tax-related scams remain common. Be cautious of unsolicited phone calls, emails, text messages, or social media messages claiming to be from the IRS or another tax agency.

Protect your Social Security number and personal information, and contact our office if you are unsure whether a tax-related communication is legitimate.

The Bottom Line

A little preparation before the end of the year can save time, reduce stress, and help avoid unexpected tax issues when filing season arrives.

If you have experienced a major life change, started a new business, received additional income, or simply want to make sure you're on track for tax season, we're here to help.