

Navigating the IRS' Interactive Tax Assistant

Tax lawyers should be able to do their own taxes, don't you think? With minimal help, of course. So I was confident last weekend as I set about preparing our taxes. Once I got the hang of loading the tax-prep software onto my almost-brand-new Windows 10 laptop and ran through sometimes deliberately vague set-up questions, I discovered several blatant errors. My fault? Probably, but I'm not owning up to it yet.

I thought about calling the IRS for some quick advice, but it's having a much tougher time than the rest of us right now. The IRS has introduced new online tools with the hope of extending a more customer-friendly face this filing season. I checked them out so you don't have to.

Interactive tax assistant

The IRS' new [Interactive Tax Assistant](#) answers general tax law questions. After last weekend's adventure in taxland, I wish I had one!

I drew the short straw (again), so I had to figure out how the assistant works and whether it's worth your time.

Categories in the assistant include Filing Requirement, Form to Use, Due Date; Filing Status and Dependents; Retirement: Pensions, IRAs, Social Security; Other Income (e.g., scholarships); Deductions; Credits; International; and Additional Topics.

I stuck to the top—Do I Need to File a Tax Return? To complete this section properly, the assistant says you'll need:

- Your filing status
- You federal income tax withheld
- Basic information to help us determine your gross income.

The assistant says it takes approximately 12 minutes to complete this step, but I did it faster.

You'd think *filing status* would be a breeze. After all, the choices are limited. But it's not. You're first asked what your marital status was on Dec. 31, 2021. You're then asked what your filing status is. Apparently, this isn't the same question, although there's usually no difference between the two. I rate this as a bit confusing.

I zipped through the *Did I receive Social Security benefits during 2021* and *Did I provide more than half my support during 2021* screens, only to be stymied by how the assistant displays one's date of birth. Americans list the date as: month/day/year. The assistant takes a decidedly European approach: day/month/year. Why?

And now we get to the key dollar figure screen, *Gross income*: This may be problematic for many employees because they don't pay attention to their pay statements (what are those?) or to the W-2 you furnished them in January. Tell them they can use either their last 2021 pay statement (if they can find it; you will not be providing a copy of it) or their W-2 (tell them you will charge them if they can't find it). Employees must also include income from side gigs, taxable interest, taxable dividends, and capital gains.

One drawback to the assistant is the information entered to navigate the *Do I Need to File a Tax Return* section isn't imported into any other section. So all the basic information entered before had to be reentered before the assistant could determine whether one could claim anyone as a dependent.

A weird thing: I entered two hypothetical children—a daughter who was born in 2002 and a son born in 2007. The sets of questions differed, depending on their gender. For the hypothetical son, in addition to all the information the assistant wanted to know about the hypothetical daughter, it wanted to know whether he died during the year and whether we were divorced or separated from his hypothetical father.

But good news: Both hypothetical kids qualify as tax dependents.

Bottom line: I was able to breeze through most of these screens, but I know a lot about taxes. For those who know less, the assistant is probably a good place to start, but you'll need to be patient and double-check that your entries in the various sections match.

It's payroll-friendly, too!

One payroll-friendly aspect of the assistant is the section—*Are My Wages Exempt From Federal Income Tax Withholding?* The assistant [walks](#) employees through the criteria for claiming an exemption this year. Advise employees to use it, instead of asking you.

Everything you needed to know, all in one place

Depending on what you're looking for, the IRS' website can be difficult to maneuver through. So, with the hope of fending off even more calls from irritated taxpayers and/or their tax representatives, the IRS has dedicated a new [webpage](#) containing the latest details and information for taxpayers during this filing season.

Don't forget the pubs

Changes made last year by the American Rescue Plan make claiming child and dependent care credits particularly difficult on 2021 1040s. The IRS' revised Pub. 503, [Child and Dependent Care Expenses](#), does a good job of explaining these changes.

You might want to print out a couple of copies for employees to consult.