

Fact Sheet

Most Common Errors Made by Taxpayers 65 and Older



KEY MESSAGES

Standard Deduction...

People aged 65 or older are entitled to a larger standard deduction; however, many senior citizens do not take this higher deduction.

(See Publication 17, Your Federal Income Tax)

Social Security Benefits...

Income from Social Security may be taxable, depending on many factors, including total income and filing status.

(See Publication 17, Your Federal Income Tax)

Schedule D...

Income from qualified dividends is generally taxed lower than the standard rate.

(See Publication 17, Your Federal Income Tax)

Social Security Numbers...

Be careful when writing in social security numbers of dependents, as mistakes will cause delays in processing returns and refunds.

(See Publication 17, Your Federal Income Tax)

BACKGROUND

As the baby boomers reach retirement age, more and more of the U.S. population will be dependent upon different sources of income, including Social Security income. It is important for all senior citizens to understand how their age and their new sources of income will impact their individual income tax returns. TIGTA audit # 200630004 indicated opportunities exist to help taxpayers who are 65 and older who repeatedly make mistakes on their individual income tax returns.

Incorrectly calculating taxable Social Security benefits and failing to take the higher standard deduction for persons 65 years or older were the two most repeated errors made by seniors who filed paper tax returns. Other reports indicate that calculating the tax on qualified dividends and incorrectly writing the social security numbers of dependents were also among the top errors made by this population. Taxpayers can save time and money and eliminate these common errors by simply e-filing. Tax returns that are e-filed are more accurate, fast and easy, and most of all secure.

WHAT CAN YOU DO?

- Be aware of the most common errors made by taxpayers 65 and older
- Spread the word and get the message out to taxpayers in this age group
- Refer taxpayers to Publication 554, *Older Americans' Tax Guide*
- Encourage taxpayers 65 and older to seek help in preparing their returns
 - TCE (Tax Counseling for the Elderly) 1-800-829-1040
 - AARP Tax Aide 1-888-227-7669 or www.aarp.org
 - VITA (Volunteer Income Tax Assistance) 1-800-829-1040
- Promote the benefits of e-filing