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Edwin B. Smith

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News You Can Use: Tax Expert Offers Tips for Filing Forms

UM accountancy professor Cheryl Metrejean shares valuable information

MARCH 23, 2020 BY EDMUN B. SMITH

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Cheryl Metrejean

OXFORD, Miss. – Correctly filing state and federal income tax forms can be a daunting challenge, particularly if one is unaware or unfamiliar with changes in tax laws made since last year. For this reason, a **University of Mississippi** expert is offering some timely tips for do-it-yourself taxpayers.

Many tax laws have changed since 2019, said Cheryl Metrejean, clinical associate professor in the UM **Patterson School of Accountancy**. One major change that will affect individuals is inflation adjustments.

“Each year, the IRS adjusts the tax rate schedule and other amounts like the standard deduction, limits for contributions to retirement plans and so forth,” she said. “For example, the standard deduction for 2020 is increasing to \$12,400 for single (up from \$12,200 in 2019) and \$24,800 for married filing jointly (up from \$24,400 last year).”

Also, the ongoing coronavirus outbreak has led the IRS to offer a 90-day delay for individuals and businesses to file and pay their taxes, to July 15. This comes with a \$1 million dollar limit for individuals and \$10 million limit for corporations.

Taxpayers should note that the number of allowances has been deleted from the newest form.

“In the past, employees filled out a W-4 to tell their employer how much to withhold from their paychecks,” she said. “The new form drops the allowance measure and instead asks for information on income from outside of this particular job to more closely estimate what the tax liability will be.

“This new system is likely to increase the take-home pay during the year and significantly reduce the size of any refund. It’s also possible that some taxpayers who have always gotten large refunds will now owe. Taxpayers need to be prepared for this change and plan accordingly.”

Other recommendations from Metrejean include:

- **Know When to Use a Professional Tax Preparer.** “If a taxpayer has a very simple return – only a W-2 and maybe a 1099 for interest or dividend, for example – then ‘do-it-yourself’ programs can be quite sufficient,” she said. “For taxpayers who may require more than this – for example, a small business, a 1099 that reports income earned as a private contractor and many others – a professional service may be more appropriate.

“The professional service will be more costly, but tax laws can be complex. The additional guidance from a professional is often worth the cost.”

- **Use Direct Deposit When Receiving a Refund.** “Using direct deposit, taxpayers receive the refund quicker,” Metrejean said. “Just be careful and make sure to double and triple-check the account information entered on the return. If the taxpayer enters the information incorrectly, the IRS either can’t deposit the money or it goes into someone else’s account.
- **Set Up an Installment Plan to Pay Taxes Due.** “The rules are specific and require a good faith effort to pay the balance due as quickly as possible,” she said. “Taxpayers who owe back taxes are probably better off with a professional service to assist them in resolving the issue.”
- **If married, file jointly.** “A married couple is almost always better off filing jointly,” she said. “In many cases, married taxpayers who file separately either can’t take advantage of available deductions/credits or those deductions/credits are severely limited.”
- **Make Sure Forms Are Completed Correctly.** “The No. 1 mistake most people make when filing forms is being careless,” Metrejean said. “Even with electronic filing, a mistake in entering a Social Security number or an amount from a W-2 is easily caught by the computers processing those

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Civil Engineering Professor Receives Most-Cited Paper Award

OXFORD, Miss. – Peer recognition is a rewarding experience for anyone, but University of Mississippi researcher Amir Mehrara Molan was elated when an article he co-authored recently received the Most Cited Paper Award at the 102nd Transportation Research Board meeting in the nation’s capital. The International Journal of Transportation Science and Technology presented the civil engineering

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Young Alumna Gives Back to School of Accountancy

OXFORD, Miss. – Stephanie Jennings Teague, of Chicago, sees her commitment of \$100,000 to the Patterson School of Accountancy’s new building at the University of Mississippi as a means of saying “thank you.” “It is a way to show a small token of my appreciation to Ole Miss, the faculty and staff, and the accounting

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Ole Miss In the News

Reuters: Keep an Eye on the Money Supply

U.S. inflation roller coaster prompts fresh look at long-ignored money supply By Michael S. Derby NEW YORK – The amount of money sloshing around the U.S. economy shrank last year for the first time on record, a development that some economists believe bolsters the case for U.S. inflation pressures continuing to

returns.

“The IRS receives copies of all W-2s, 1099s and so forth. Part of processing returns is matching what they have on their copies of those forms to what is reported on a taxpayer’s submitted return.”

- **If Audited, Hire a Professional Tax Preparer.** “There is really no way to guarantee that a taxpayer will never be audited,” Metrejean said. “If a return is never filed, the IRS has no time limit to begin the audit. The law does limit how long the IRS has to audit a taxpayer, but that time period never begins if no return is filed.”
- **Do Not Ignore Notices from the IRS.** “The worst thing a taxpayer can do is ignore a notice from the IRS,” Metrejean said. “There is a process, and they go through certain steps, but at some point the IRS can and will begin to seize assets and garnish wages and other payments they can find.

“If the taxpayer thinks the notice is incorrect, respond and explain. Again, professional help may make the process much smoother and could be worth the cost.”

A certified public accountant in Mississippi and a certified fraud examiner, Metrejean received her bachelor’s degree from the University of Louisiana at Lafayette and a master’s of accounting with an emphasis in taxation from the University of North Carolina before entering the tax practice at Ernst & Young in Houston, Texas. After leaving public accounting, she earned her Ph.D. from Texas A&M University.

Before joining the Ole Miss faculty, Metrejean taught at the University of Texas, Texas State University and Georgia Southern University.

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