

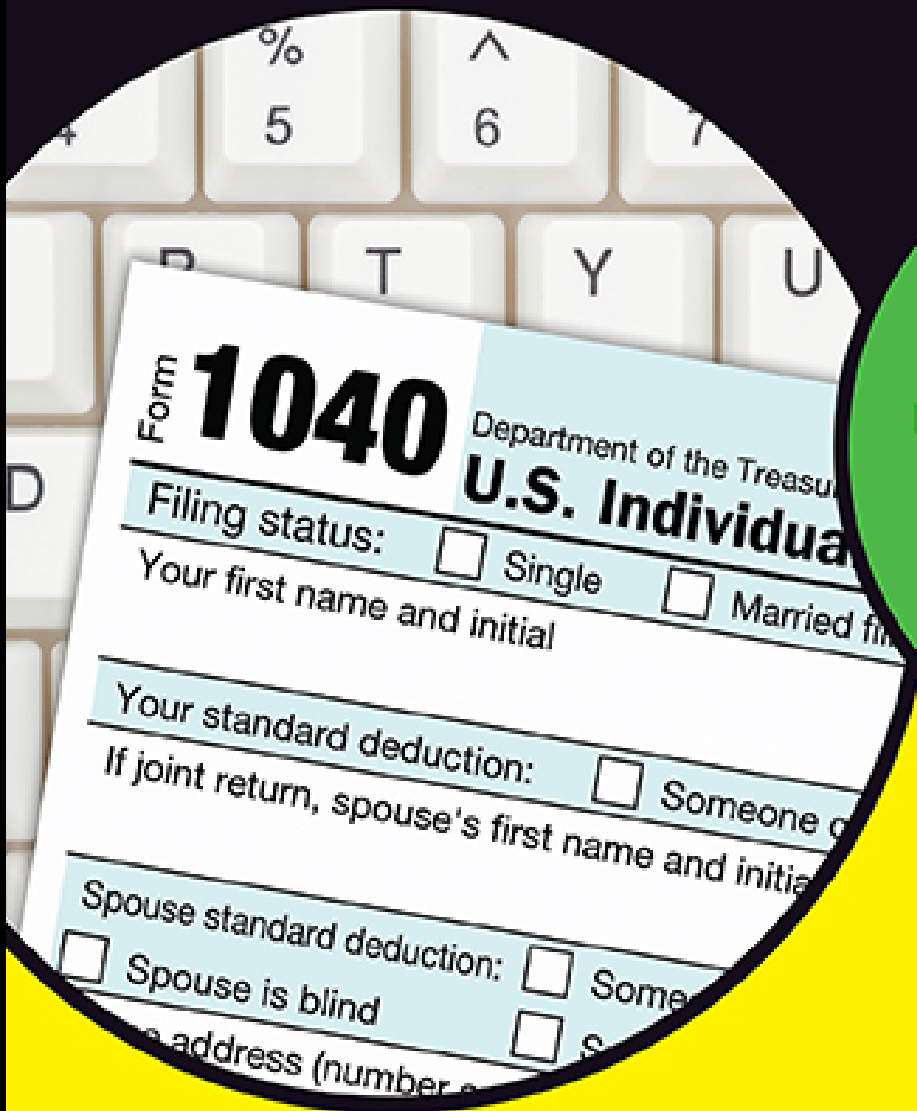
LEARNING MADE EASY



Taxes

2022 Edition

for
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Prepare your 2021 tax return with confidence

Legally reduce your tax bill with sound strategies

Plan ahead for 2022 and future tax years

Eric Tyson, MBA

Bestselling author, *Investing For Dummies* and *Personal Finance For Dummies*

Margaret Atkins Munro, EA

Author of *Estate & Trust Administration For Dummies*

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Taxes 2022

**by Eric Tyson, MBA Financial consultant,
bestselling author**

Margaret Atkins Munro, EA Tax advisor

David J. Silverman, EA Tax advisor

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Introduction

Welcome to *Taxes 2022 For Dummies* — the latest up-to-date revision of our annual best-selling book (the first edition of which was published in 1994) by your humble co-authors — Eric Tyson, Margaret Atkins Munro, and David J. Silverman. These pages answer both your tax-preparation and tax-planning questions in plain English and with a touch of humor.

About This Book

Our book can help you make sense of the tax laws, especially the newest ones. We promise to help relieve your pain and misery (at least the tax-related portion), legally reduce your income tax bill, and get you through your tax return with little discomfort.

We also help you keep your mind on your taxes while you plan your finances for the upcoming year. As you probably know, Congress and political candidates engage in never-ending discussions about ways to tinker with the nation's tax laws. Where appropriate throughout the book, we highlight how any resulting changes may affect important decisions you'll need to make in the years ahead.

In addition to helping you understand how to deal with federal income taxes, we explain how to handle and reduce some of those pesky and not-so-insignificant taxes slapped on by states and other tax-collecting bodies.

We also show you how to steer clear of running afoul of tax laws. The fact that Congress keeps changing the tax rules makes it easy for honest and well-intentioned people to unknowingly break those laws. We explain how

to clear the necessary hurdles to keep the taxing authorities from sending threatening notices and bills. But if you do get a nasty letter from the tax police, we explain how to deal with that frightful situation in a calm, levelheaded manner so that you get the IRS off your back.

Throughout this book, we provide line-by-line and step-by-step instructions on how to fill out various tax forms and give examples of what these forms look like. If ever you need to look up a form or print one out, simply go to www.irs.gov and type the form name in the search box.

Foolish Assumptions

At their worst, some annual tax-preparation books are as dreadful as the IRS instruction booklets themselves — bulky, bureaucratic, and jargon-filled. In particular cases, preparation books simply reproduce dozens of pages of IRS instructions! At their best, these books tell you information you can't find in the IRS instructions — but the golden nuggets of tax information often are buried in massive piles of granite. *Taxes 2022 For Dummies* lays out those golden nuggets in nice, clean display cases so that you won't miss a single one. There's still plenty of granite, but we don't use it to bury you — or key insights!

Among the three of us, we have more than nine decades of experience providing personal financial and tax advice to real people just like you. We understand your tax and financial concerns and know how to help solve your quandaries!

Most people's tax concerns fall into three categories: filling out their forms properly, legally minimizing their taxes, and avoiding interest and penalties. *Taxes 2022*

For Dummies addresses these concerns and helps take some of the pain and agony out of dealing with taxes.

We've made some assumptions on how you may want to use this book. Here are the various practical ways that we figure you will use *Taxes 2022 For Dummies* to complete your forms, legally reduce your taxes, and avoid penalties:

- » **As a reference:** For example, maybe you know a fair amount about your taxes, but you don't know where and how to report the dividends you received from some of your investments. Simply use the table of contents or index to find the right spot in the book with the answers to your questions. On the other hand, if you lack investments — in part because you pay so much in taxes — this book also explains legal strategies for slashing your taxes and boosting your savings. Use this book before and after April 15.
- » **As a trusted advisor:** Maybe you're self-employed and you know that you need to be salting money away so that you can someday cut back on those long workdays. Turn to [Chapter 22](#), and find out about the different types of retirement accounts, which one may be right for you, how it can slash your taxes, and even where to set it up.
- » **As a textbook:** If you have the time, desire, and discipline, by all means go for it and read the whole shebang. And please drop us a note and let us know of your achievement!

Icons Used in This Book



TIP

This target marks recommendations for making the most of your taxes and money (for example, paying off your nontax-deductible credit-card debt with your lottery winnings).



TAX CUT

The info by this friendly sign is useful if you want to discover ways to reduce your taxes — and all the suggestions are strictly legit.



REMEMBER

This icon is a friendly reminder of stuff we discuss elsewhere in the book or of points we really want you to remember.



WARNING

This alert denotes common, costly mistakes people make with their taxes.



TECHNICAL
STUFF

This nerdy guy appears beside discussions that aren't critical if you just want to know the basic concepts and get answers to your tax questions. However, reading these gems can deepen and enhance your tax knowledge. And you never know when you'll be invited to go to a town meeting and talk tax reform with a bunch of politicians!



NEW STUFF

Throughout this book, we highlight new tax provisions with this icon. Although searching for and reading passages marked with this icon quickly tells you what's new, don't overlook the many tax-reducing strategies and recommendations throughout the rest of the book.



SEEK
ADVICE

Some tax problems are too complex to be handled in any one book. If you're one of the unlucky ones who's in a tax situation that can spell big trouble if you get it wrong, consult a tax advisor to be on the safe side. We tell you how to select one in [Chapter 2](#).

Beyond the Book

In addition to the material in the print or e-book you're reading right now, this product also comes with some access-anywhere info on the web. Go to www.dummies.com and type in "Taxes 2022 For Dummies Cheat Sheet" in the search box to discover some tax-wise pointers.

Where to Go from Here

There are numerous different ways that readers tell us that they use our book. If you're on a deadline to complete your Form 1040 U.S. income tax return, you can turn to those chapters in [Parts 2](#) and [3](#). If you've got an audit or other notice from the IRS and want advice on that — see [Part 4](#). If you'd like a good overview on the

tax system and are trying to make wise year-round tax decisions, check out the other Parts, especially [Part 5](#).

Part 1

Getting Ready to File