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For some people, submitting their tax return to the IRS is a relief as they put the paperwork out of sight, and out of mind, until next year. Others recognize that tax time is the perfect time to plan for the future while all the documents are readily available. In fact, half of American taxpayers (55 percent) have used the information collected and entered on their annual tax return to create or make changes to their financial plan, with a little more than a quarter (27 percent) doing so annually, according to research conducted by The Harris Poll on behalf of the American Institute of CPAs (AICPA) in the fourth quarter of 2020.

"As good as it may feel to have taxes behind you, the information that you've just gathered is an up-to-date roadmap of your financial life right in front of you," said Gregory J. Anton, CPA, CGMA, chairman of the AICPA's National CPA Financial

Literacy Commission. "Don't simply file and forget your tax return. Use it as a tool to

These five areas of a tax return are a good place to start:

1. Who counts on you for support?

Your filing status (married filing joint return, head of household, etc.) and the dependents you list on your tax return give you a current view of who is in your household for financial reasons– a spouse, children, perhaps a parent or other relative you're helping out. Especially if there have been recent changes, such as birth or adoption of a child or a student graduating college and starting work, it's worth considering whether your health insurance, life insurance, education planning, estate planning, etc., are up to date.

2. Is your withholding aligned with the taxes you owe?

There have been a number of changes to withholdings over the past couple years which is why it is concerning that 45 percent of tax-filing Americans have no idea when they last updated their withholding. Your tax return will show you how much was withheld from your pay during the year and whether you came close to the taxes you owed or missed the mark in either direction. If too much withholding brought you a big refund, you've made an interest-free loan to the government. Going forward, it might make sense to adjust your withholding downward to more closely line up with what you expect to owe, giving you and an opportunity to invest the money and earn a return or access it to meet emergencies over the course of the year.

On the other hand, if you owe a significant amount at tax time, consider increasing your withholding to avoid possible IRS interest charges and penalties that can put a dent in your savings. For Americans looking for help understanding Form W-4, and the impact of changing their payroll deductions, the AICPA has information at 360FinancialLiteracy.org/W4. Understanding the impact of withholding is especially important for those looking to plan and improve their financial situation.

3. Where is your money coming from?

4. Where are you on the road to retirement?

Your tax return can give you good information on your progress toward a financially secure retirement and highlight some opportunities to enhance it. For example, you can see how tax-deductible contributions to an IRA or pre-tax 401(k) deductions reduced your taxable income and how you may be able to increase the contributions going forward, boosting tax savings and your retirement nest egg. It's a good time to consider increasing your contribution, especially if you're not taking advantage of the maximum employer match.

For those nearing retirement, it's a good time to start thinking about how you'll transition from health insurance at work to post-retirement insurance, including Medicare and its related options when you qualify. It's also worthwhile to start exploring various strategies for commencing Social Security benefits. The good news is that Medicare and Social Security offer various options to fit a variety of situations, but you want to be sure the decisions you make give you the greatest benefits.

5. Are your itemized deductions in line with your goals?

While the majority of people take a standard deduction rather than itemizing, those who do itemize get a clear view of certain financial items, presenting an opportunity to consider significant changes in your financial situation. For example, if state and local taxes are taking a big bite of your income, it might pay to consider moving to a lower tax area as part of your retirement planning. High medical deductions may mean it's time for a check-up on your health insurance. For charitable contributions, you can magnify your giving power by grouping them into years when you have enough deductions to itemize, rather than giving about the same amount every year.

At Times Like These, the Right Advice Is Essential

For tens of millions of Americans, including small business owners, COVID-19 made