

## Tax Filing Tips and What You Should Know About Tax Refund Loans



It's that time again: the time of year we all dread. No, not just the end of the football season. It's tax filing time. Throughout the month of January your employer, bank and other financial entities have supplied you with all of the necessary documents that you'll need to knock out your 2011 tax return and put the IRS in your rear view mirror for another year.

Before you get started putting all of the numbers in each of the little boxes, or running out to the pop up tax preparing business down the street, make sure you follow these surefire tips for a safe, secure and accurate return.

### **Don't Get Ripped Off**

Tax filing season is like Christmas for cyber criminals. They often set up dummy websites and send official looking emails hoping that you'll fall into their web. The IRS will never ask for detailed financial information like PIN numbers, passwords or secret information for credit card, bank or other financial accounts. In fact, the IRS never initiates contact with taxpayers via email to request any kind of personal information. Any emails that look like they come from the IRS, should be forwarded to [phishing@irs.gov](mailto:phishing@irs.gov), then deleted. Do not respond!

### **Keep More of Your Refund**

Many tax preparers offer tax refund loans or other immediate refund programs. Each of these offers comes with a cost, as the tax preparer takes a percentage of your return off the top for the convenience of getting your refund faster. These offers play upon the assumption that the IRS is slow in issuing returns, but that's not necessarily the case. Most returns can be accepted by the IRS electronically via the e-file program, which enables your full refund to be deposited directly into your bank account within 7-14 days.

### **You Can File For Free**

Nearly 70 percent of Americans qualify for free tax filing using software or forms provided by the IRS. If you earned less than \$57,000 in 2011, find out which free

options are available to you by visiting [www.irs.gov/freefile](http://www.irs.gov/freefile).

### **Get IRS Assistance in Spanish**

The tax filing process doesn't have to be extra burdensome for Spanish speaking Americans. The IRS offers many resources in Spanish via [www.irs.gov/espanol](http://www.irs.gov/espanol). Assistance in Spanish is also available via phone at 800-829-1040, and then pressing the number 8.

### **Don't Forget Your Kids At Tax Time**

Having kids makes you eligible for many special tax considerations beyond the \$1,000 tax credit per child. The money that you spend for someone to take care of your children in order for you to work or look for work (day care, afterschool care, nanny) is often tax deductible. Also, make sure that your tax preparer knows if you've gone through the process of adopting a child in 2011, as many of those expenses can help decrease your tax liability as well.

### **Report Those Tips**

Although tips might feel like "free money," they are, in fact taxable. The IRS is on the lookout for people working in service industry jobs - where tips are common - who fail to report their tips. Your tax return should include a total of all cash tips you receive directly from customers, or a reasonable estimation of how much you received in the past year. For future years, try keeping a daily log of your tip income to make sure that you don't over or under estimate.

Since April 15<sup>th</sup> is on a Sunday this year, Uncle Sam has extended the 2012 tax filing deadline by two days to Tuesday, April 17<sup>th</sup>.