



Saving at tax time

Ways to save throughout the tax process.

TAKE ADVANTAGE OF FREE TAX SERVICES

If you need assistance in preparing and filing your returns one of your choices is to visit a Volunteer Income Tax Assistance (VITA) site. IRS-certified volunteers can help you file your taxes and make a plan for your refund, all for free. Eliminating preparation fees can make a big difference in your ability to start or build your savings, or pay bills and expenses. Find a site by visiting irs.treasury.gov/freetaxprep or call (800) 906-9887.

UNDERSTAND FEES FOR PAID PREPARERS

If you use a paid preparer to do your taxes, they may offer you a refund anticipation check. This is when any fees you owe for tax preparation are taken out of your refund amount, which is deposited onto a prepaid card or into a bank account. There are additional fees you pay for this service (typically ranging from \$25-\$55), on top of the tax preparation fees.

Despite their name, refund anticipation checks don't get you money faster than filing your taxes online and using direct deposit.

CLAIM ALL OF YOUR TAX CREDITS

You may qualify for one of these common tax credits:

- The **Earned Income Tax Credit (EITC)** is a benefit for people who are working, but have low-to-moderate income. The amount of the credit is based on your income and

filing status. Income limits and other rules for the EITC change every year. You can look them up by visiting irs.gov/credits-deductions/individuals/earned-income-tax-credit.

- The **Child Tax Credit (CTC)** reduces the taxes you owe by up to \$2,000 for each qualifying child under the age of 17 who meets certain criteria. The refundable portion of the credit is limited to \$1,400. This amount will be adjusted for inflation after 2018. In order to receive the child tax credit (i.e., both the refundable and non-refundable portion), a taxpayer must include a Social Security number for each qualifying child for whom the credit is claimed on the tax return. For the most current information visit irs.gov/publications/p972/ar02.html.

The IRS is required to do additional verification of information on tax returns claiming the EITC and the CTC. This may cause some delay in the receipt of refunds that include these tax credits.

CONSIDER DIRECT DEPOSIT

If you're receiving a refund, using direct deposit is free and faster than a check. Depositing part or all of your refund into your account or onto a prepaid card keeps your money secure until you need it.

Have your account information ready. If you're filing your own return there's space on the form or in the software to enter your account information for direct deposit. If you're getting help filing your return make sure to bring your account information with you.

KICK-START YOUR SAVINGS

Your tax refund can help you pay for things you need right now or help you save for things you want down the road.

Great, no-hassle ways to save:

- **Keep part of your tax refund in a separate account**, like a savings account, so you'll have money for sudden expenses.
- **Purchase a Series I Savings Bond** and earn interest from the government. You don't need a bank account and you can give bonds as a gift. For more information visit treasurydirect.gov/indiv/research/indepth/ibonds/res_ibonds_ibuy.htm