

# Fact Sheet

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## Module 12: Refund, Amount Due, and Record Keeping

Taxpayers receive refunds when their total tax payments are greater than the total tax. Taxpayers receive refunds from the government. Taxpayers must pay an amount due to the government when the total tax is greater than their total tax payments. Taxpayers need to keep good records to support all items on their tax returns.

### **Refunds**

When total tax payments are greater than the total tax, the taxpayer can

- receive the refund by direct deposit to an account at a financial institution.
- receive a split refund dividing your refund, in any proportion you want, and direct deposit the funds in up to three different accounts with U.S. financial institutions.
- receive the refund by check in the mail.
- apply the refund to the estimated tax for the following year.

Taxpayers can also:

- Request a deposit of their refund to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds.
- Use their refund to buy up to \$5,000 in U.S. Series I Savings Bonds.
- Use their refund to begin a savings program and to plan for retirement.

### **Amounts Due**

When the total tax is greater than the total tax payments, the taxpayer can

- pay by check or money order.
- pay by credit card.
- pay by direct debit from an account at a financial institution (only available for returns that are electronically filed).

Taxpayers who cannot make payment in full need to contact the IRS.

### **Record Keeping**

It is important that taxpayers keep good records to

- identify sources of income.
- keep track of expenses.
- prepare tax returns quickly and accurately.
- support items reported on tax returns.
- keep track of the basis of property.

Taxpayers need to keep tax-related documents for at least three years.