Fact Sheet

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 the refund by check in the mail.
- apply the refund to the estimated tax for the following year.

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.
- track expenses.
- prepare tax returns quickly and accurately.
- support items on the tax return.

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

How Tom spent April 14 last year . . .

How Tom spent April 14 THIS year.