

# IRS News Release

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## **Free File Available for Requesting Telephone Tax Refund; Service Includes People Who Do Not Need to File a Tax Return**

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WASHINGTON — The Internal Revenue Service reminds telephone customers who do not normally file tax returns that they can use Free File to request the telephone excise tax refund. This group includes low-income people, many of them senior citizens. IRS's Free File is the easiest and quickest way to request the refund, which, if directly deposited, could arrive in the taxpayer's bank account in two weeks or less.

"This program provides the option for most people to do their taxes electronically and for free," said IRS Commissioner Mark W. Everson. "Free File is a great choice for people who don't normally need to file a tax return but who are entitled to this special telephone excise tax refund."

The refund covers the 3-percent tax paid on long-distance and bundled service billed after Feb. 28, 2003, and before Aug. 1, 2006.

Federal long-distance excise taxes paid on land line, cell phone, fax and Internet phone service qualify for the refund. This includes bundled service — local and long-distance service provided under a plan that does not separately list the charge for local service. Bundled service includes, for example, phone plans that provide both local and long-distance service for either a flat monthly fee or a charge that varies with the time for which the service is used.

The tax no longer applies to these kinds of service, though it continues to apply to local-only phone service.

Telephone customers have two choices for requesting the refund. They may:

- Use the actual amount of tax paid, as shown on phone bills and other records; or
- Use a standard amount. This amount ranges from \$30 to \$60, based on the number of personal exemptions the customer is eligible to claim.

Both choices are available through IRS Free File. Just go to IRS.gov, click "2007 Free File" and follow the directions. Three Free File Alliance members are providing free access to Form 1040EZ-T to request the standard amount. Some Alliance members are also offering free access to Form 8913 to request the actual amount.

Free File is a program run by the IRS and the Free File Alliance, a consortium of tax preparation software companies. Seventy percent of the nation's taxpayers — those with an adjusted gross income of \$52,000 or less — are eligible for Free File. Each company sets its own criteria for who can use the service. The program is available only through IRS.gov.

Alternatively, low-income telephone customers who prefer having someone else prepare their refund request can get free help by visiting one of more than 12,000 neighborhood tax-assistance sites nationwide. Trained community volunteers fill out telephone tax refund requests and basic income-tax returns for low-income people and senior citizens. To locate the nearest volunteer tax-help site, call AARP at 1-888-227-7669 or the IRS at 1-800-829-1040.

Free File users who forgot to request the telephone excise tax refund can file an amended return using Form 1040X. To avoid delaying a refund request, the IRS recommends that Free File users wait until three weeks after they filed their original return before sending in Form 1040X. This form cannot be e-filed; it must be filed by paper. Form 1040X can be downloaded from IRS.gov.