

IRS News Release

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IRS Has \$1.2 Billion for People Who Have Not Filed a 2004 Tax Return

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WASHINGTON — Unclaimed refunds totaling approximately \$1.2 billion are awaiting about 1.3 million people who failed to file a federal income tax return for 2004, the Internal Revenue Service announced today. However, to collect the money, a return for 2004 must be filed with an IRS office no later than Tuesday, April 15, 2008.

Those due a refund who did not file a 2004 tax return could collect even more money by also filing a 2007 tax return to claim the economic stimulus payment. To receive a payment, taxpayers must have a valid Social Security number, \$3,000 of qualifying income and file a 2007 federal tax return. Millions of retirees, disabled veterans and low-wage workers who usually are exempt from filing a tax return must do so this year in order to receive the stimulus payment. Eligible people will receive up to \$600 (\$1,200 for married couples), and parents will receive an additional \$300 for each eligible child younger than 17.

The IRS estimates that half of those who could claim refunds for tax year 2004 would receive more than \$552. In some cases, individuals had taxes withheld from their wages, or made payments against their taxes out of self-employed earnings, but had too little income to require filing a tax return. Some taxpayers may also be eligible for the refundable Earned Income Tax Credit.

In cases where a return was not filed, the law provides most taxpayers with a three-year window of opportunity for claiming a refund. If no return is filed to claim the refund within three years, the money becomes property of the U.S. Treasury. For 2004 returns, the window closes on April 15, 2008. The law requires that the return be properly addressed, postmarked and mailed by that date. There is no penalty assessed by the IRS for filing a late return qualifying for a refund.

“Time is getting short for claiming the tax refund you may be entitled to,” said acting IRS Commissioner Linda E. Stiff. “But you can’t get it unless you file the tax return. Don’t take a chance on losing your tax refund. And this year, remember that you need to file a 2007 tax return in order to receive an economic stimulus payment.”

The IRS reminds taxpayers seeking a 2004 refund that their checks will be held if they have not filed tax returns for 2005 or 2006. In addition, the refund will be applied to any amounts still owed to the IRS and may be used to satisfy unpaid child support or past due federal debts such as student loans.

By failing to file a return, individuals stand to lose more than refunds of taxes withheld or paid during 2004. Many low-income workers may not have claimed the Earned Income Tax Credit (EITC). Although eligible taxpayers may get a refund when their EITC is more than what they owe in tax, those who file returns more than three years late would be able only to apply it toward the taxes they owe (if any). They would not be able to receive a refund if the credit exceeded their tax.

Generally, unmarried individuals qualified for the EITC if in 2004 they earned less than \$34,458 and had more than one qualifying child living with them, earned less than \$30,338 with one qualifying child, or earned less than \$11,490 and had no qualifying child. Limits are slightly higher for married individuals filing jointly.

Current and prior year tax forms and instructions are available on the Forms and Publications page of the IRS Web site at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). Information about the Earned Income Tax Credit and how to claim it is also available on the IRS Web site, IRS.gov. Taxpayers who need help also can call the toll-free IRS help line at 1-800-829-1040.

A state-by-state breakdown of estimates for individuals who failed to file a 2004 return with a refund due is attached.

Attachment:

State-by-state breakdown of estimates

Individuals Who Failed to File a 2004 Return with an Estimated Refund

	<u>Individuals</u>	<u>Median Estimated Refund*</u>	<u>Total Estimated Refunds (\$000)*</u>
Alabama	20,700	\$548	\$16,210
Alaska	6,000	\$643	\$6,514
Arizona	33,100	\$465	\$26,175
Arkansas	11,100	\$514	\$8,706
California	149,500	\$507	\$134,399
Colorado	22,900	\$504	\$20,048
Connecticut	15,000	\$617	\$16,484
Delaware	4,900	\$561	\$4,175
Dist of Columbia	5,200	\$528	\$4,655
Florida	93,900	\$575	\$100,600
Georgia	43,900	\$519	\$37,821
Hawaii	8,900	\$581	\$9,353
Idaho	5,000	\$464	\$3,776
Illinois	50,000	\$608	\$53,131
Indiana	26,100	\$588	\$22,888
Iowa	11,500	\$566	\$9,002
Kansas	12,700	\$536	\$9,903
Kentucky	14,100	\$566	\$11,734
Louisiana	21,600	\$562	\$20,902
Maine	4,700	\$533	\$4,008
Maryland	29,700	\$548	\$27,275
Massachusetts	29,500	\$605	\$32,934
Michigan	47,000	\$582	\$42,580
Minnesota	19,200	\$498	\$15,930
Mississippi	11,200	\$499	\$8,357
Missouri	24,900	\$527	\$19,627
Montana	3,600	\$490	\$2,665
Nebraska	5,900	\$527	\$4,752
Nevada	17,500	\$520	\$16,776
New Hampshire	5,300	\$633	\$5,011
New Jersey	40,500	\$621	\$41,979
New Mexico	8,700	\$502	\$7,041
New York	76,600	\$612	\$81,951
North Carolina	36,000	\$491	\$29,724
North Dakota	1,900	\$531	\$1,537
Ohio	43,600	\$544	\$35,744
Oklahoma	15,900	\$515	\$12,611
Oregon	20,400	\$449	\$14,596
Pennsylvania	45,700	\$598	\$41,455
Rhode Island	4,500	\$579	\$4,411
South Carolina	15,200	\$485	\$11,384
South Dakota	2,400	\$542	\$2,023
Tennessee	21,100	\$559	\$19,191
Texas	96,600	\$582	\$93,090
Utah	7,400	\$470	\$5,811
Vermont	2,300	\$538	\$1,779
Virginia	38,400	\$543	\$37,247
Washington	34,400	\$587	\$34,337

West Virginia	4,500	\$591	\$4,033
Wisconsin	15,900	\$522	\$13,026
Wyoming	2,500	\$616	\$2,344
Armed Forces	5,500	\$770	\$4,332
US Possessions & Territories	100	\$591	\$103
Total	1,294,700	\$552	\$1,196,140

* Excluding the Earned Income Credit and other tax credits.