

# IRS



## News Release

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### **IRS Offers Last Minute Reminders**

IR-2008-59, April 11, 2008

WASHINGTON — Now that the April 15 tax return filing and tax payment deadline is nearing, the Internal Revenue Service offers the following last-minute tips for those taxpayers who haven't yet filed, paid what they owe or taken the necessary steps to ensure they receive the economic stimulus payment they qualify for.

Taxpayers can speed their receipt of their economic stimulus payment by choosing IRS e-file and direct deposit and by filing by the due date. They also can minimize possible interest assessments and late filing or late payment penalties by filing and paying by the due date.

#### **File Electronically**

Take advantage of [e-filing](#), which is fast, accurate and easy. Most available tax preparation programs check for errors and necessary information, increasing the accuracy of the return and reducing the need for correspondence with the IRS to clarify errors or omissions. With most programs taxpayers can usually file a state tax return at the same time they electronically file their federal return. Once the return is accepted for processing, the IRS electronically acknowledges receipt of the return. Generally, when someone files electronically, their refund will be issued in about half the time it would take if they had filed a paper return. Those who choose direct deposit will get their refund in even less time and receive their economic stimulus payments sooner as well.

#### **Use IRS Free File**

Free electronic filing from nearly 20 companies is available to taxpayers whose 2007 adjusted gross income was \$54,000 or less. That means 70 percent of all taxpayers, 95 million filers, can take advantage of the IRS-sponsored [Free File](#) program. The only way to access this program is through the IRS's secure, official Web site, [IRS.gov](http://IRS.gov). Free File is also available for individuals who are filing a tax return solely to receive their economic stimulus payment. There is no charge for this service.

#### **Economic Stimulus Payments**

Starting in May, the Treasury will begin sending economic stimulus payments to more than 130 million households. To receive a payment, taxpayers must have a valid Social Security number, \$3,000 of qualifying income and file a 2007 federal income tax return. The IRS will take care of the rest. 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. Millions of retirees, disabled veterans and low-wage workers who normally do not need to file a tax return must do so this year in order to receive a stimulus payment. People filing only to receive the economic stimulus payment do not have to file by April 15 and they do not have to file a Form 4868 for an extension. These people must file Form 1040A, though, by Oct. 15 to receive the payment in 2008. Taxpayers normally required to file who cannot meet the April 15 deadline should file a Form 4868 to obtain an extension to file until Oct. 15.

## **Avoid Scams**

If you receive unsolicited email or telephone calls from anyone purporting to be from the IRS, it's probably a scam. Don't click on any links; don't answer any questions. Forward the emails or report the calls to phishing@irs.gov.

## **Earned Income Tax Credit**

Earned income of less than \$39,783 in 2007 may qualify a taxpayer (married filing jointly with more than one qualifying child) to claim the earned income tax credit. This credit could be worth up to \$4,716 (depending on the number of qualified children and level of earned income). When the [EITC](#) exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. To qualify, taxpayers must meet certain requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return. An electronic special "[EITC Assistant](#)" is available to help taxpayers determine whether they are eligible. Taxpayers can access more information on this credit by clicking on "1040 Central" on the front page of IRS.gov.

## **Make Sure Your Paper Return is Error-Free**

Those who file a paper return can avoid most potential delays in processing the return and avoid additional correspondence with the IRS to clarify errors should make certain they:

- Double-check their figures,
- Sign their form,
- Attach all required schedules,
- Send their return or request an extension by the April 15 filing deadline.

## **Pay Electronically**

Taxpayers who file electronically can e-file and e-pay in a single step by authorizing an electronic funds withdrawal or by credit card. [Electronic payment options](#) are convenient, safe and secure methods for paying taxes or user fees. Taxpayers can charge taxes on their American Express, MasterCard, Visa or Discover cards, using an IRS-authorized service provider listed on IRS.gov. The service providers charge a convenience fee based on the amount of tax the taxpayer is paying. Taxpayers should not add the convenience fee to their tax payment. For those who can't file or pay on time, the IRS provides extensions of time to file and payment plans.

## **Request an Extension of Time to File**

Taxpayers who can't meet the deadline to file their tax return can get an automatic six-month extension of time to file from the IRS, but they must submit the request by April 15. The extension gives taxpayers until Oct. 15 to file the tax return. However, an extension of time to file does not give the taxpayer an extension of time to pay, which must be separately requested. Those who owe taxes can make a payment when they file the extension either by mailing a check made out to the U.S. Department of the Treasury or by several electronic payment methods, such as electronic funds withdrawals from bank accounts and credit card payments. Taxpayers can get an automatic six-month extension of time to file their tax returns by filing [Form 4868](#), Automatic Extension of Time to File. Taxpayers can e-file the extension request from a home computer or through a tax professional who uses e-file. Taxpayers can e-file their extensions at no cost. Several companies offer free e-filing of extensions through the Free File Alliance; these companies are listed on IRS.gov.

### **Request an Extension of Time to Pay**

Based on the circumstances, a taxpayer could qualify for an extension of time to pay. The IRS is willing to allow extensions of time to pay in order to assist in tax debt repayment. However, interest and certain penalties may apply. A taxpayer can request an extension from 30 to 120 days depending on the specific situation. Taxpayers qualifying for an extension of time to pay of 30 to 120 days generally will pay less in penalties and interest than if the debt were repaid through an installment agreement. Taxpayers can request an extension of time to pay using the [Online Payment Agreement](#) option available. If you owe tax but cannot pay the full amount, you should pay as much as you can by the April 15 due date in order to minimize any interest and penalty charges.

### **Apply for an Installment Agreement**

The IRS may allow taxpayers to pay any remaining balance in monthly installments through an [installment agreement](#). Taxpayers who owe \$25,000 or less may apply for a payment plan electronically, using the Online Payment Agreement application. Alternatively, taxpayers may attach a [Form 9465, Installment Agreement Request](#), to the front of his or her tax return. Taxpayers must show the amount of their proposed monthly payment and the date they wish to make their payment each month. The IRS charges a \$105 fee for setting up an installment agreement. The fee is reduced to \$52 for those who establish a direct debit installment agreement and \$43 for those with an income below a certain level (more information is available on [Form 13844](#)). Taxpayers are required to pay interest plus a late payment penalty on the unpaid taxes for each month, or part of a month, after the due date that the tax is not paid. A taxpayer who does not file the return by the due date — including extensions — may have to pay a failure-to-file penalty.

For more information about filing and paying taxes, choose "[1040 Central](#)" or refer to the [Form 1040 instructions](#) or IRS [Publication 17, Your Federal Income Tax](#). Taxpayers can download forms and publications from the official IRS Web site, IRS.gov or request a free copy by calling toll free 800-TAX-FORM (800-829-3676).

## 2008 FILING SEASON STATISTICS

Cumulative through the weeks ending 4/3/07 and 4/4/08

<b>Individual Income Tax Returns</b>	<b>2007</b>	<b>2008</b>	<b>% Change</b>
Total Receipts	88,581,000	96,821,000	9.3%
Total Processed	84,215,000	90,064,000	6.9%
<b>E-filing Receipts:</b>			
TOTAL	61,345,000	67,437,000	9.9%
Tax Professionals	44,210,000	47,184,000	6.7%
Self-prepared	17,135,000	20,253,000	18.2%
<b>Web Usage:</b>			
Visits to IRS.gov	109,353,000	132,444,000	21.1%
<b>Total Refunds:</b>			
Number	73,622,000	75,136,000	2.1%
Amount	\$174.165 Billion	\$183.043 Billion	5.1%
Average refund	\$2,366	\$2,436	3.0%
<b>Direct Deposit Refunds:</b>			
Number	49,935,000	53,694,000	7.5%
Amount	\$136.605 Billion	\$147.164 Billion	7.7%
Average refund	\$2,736	\$2,741	0.2%