

IRS TAX TIP 2001-67 E-FILE HELPS REFUNDS, PAYMENTS

WASHINGTON -- Are you one of the more than 90 million taxpayers who will receive a refund this year? Requesting direct deposit, and filing your tax return electronically with e-file will put that money in your pocket faster and easier, according to the IRS.

Every year more taxpayers are finding out how safe and easy it is to have their tax refund direct deposited into their checking or savings account. This option is available for both e-filers and paper return filers.

With e-file your refund will be issued in half the time it would take if you filed a paper return. Most refunds are issued within three weeks. If you choose direct deposit you can receive your refund in as few as 10 days.

Last year nearly one-third of the 128 million taxpayers filed their tax return using one of the four electronic filing methods. As people become more comfortable with computers, e-file is growing in popularity.

In addition to receiving fast refunds, the electronic filing program quickly checks for errors or missing information, increasing the accuracy of your return. Twenty percent of the paper returns filed traditionally are found to have errors. E-filing reduces the need for correspondence with the IRS to clarify errors or omissions on paper returns. The IRS also sends a confirmation that your return was accepted for processing.

An added feature of electronic filing can be preparation of a state tax return at the same time as the federal tax return is computed.

Finally, with electronic filing you can file your return early but wait to pay any balance due by the tax deadline of April 16, 2001.

There is a way to reduce the size your refund, and put more money in your paycheck throughout the year. You and your employer can refigure your Federal income tax withholding, allowing the correct amount to be deducted. You will find a withholding calculator and worksheet along with Form W-4 on the IRS Web site, www.irs.gov. You may get Form W-4 from your employer or by calling the IRS at 1-800-829-3676.

You will also find information on how to e-file your return on the IRS Web site. People who e-file find it the fastest and easiest way to do their taxes.