



News Release

Media Relations Office**Washington, D.C.****Tel. 202.622.4000****For Release: 03/27/03****Release No: IR-2003-40**

IRS URGES TAXPAYERS TO AVOID LAST MINUTE FILING; TIPS TO AVOID THE RUSH OF THE APRIL 15TH DEADLINE

WASHINGTON - The Internal Revenue Service today urged taxpayers to avoid the stress of filing their returns at the eleventh hour and offered tips to help taxpayers beat the crush of the April 15 deadline.

One in five of the nation's taxpayers wait until the final week to file their taxes by the April 15th deadline. Last year, 27.1 million taxpayers - more than 20 percent - waited until the last minute to submit their income tax return. The deadline marks the peak in terms of the number of returns filed.

"There is no need to be in line at the Post Office at midnight on April 15," said Terry Lutes, director, IRS Electronic Tax Administration. "Our best advice: e-file now; pay later. You can electronically file your returns and schedule a payment by April 15. However, it's important that you start now to prepare, gather your documents and necessary forms."

Most taxpayers who wait until the last minute generally owe taxes to the government. Their tax returns also tend to be more complex. The IRS receives approximately 61 percent of the balance-due returns after April 15. In contrast, people who are due a tax refund are early filers. Approximately 73 percent of refund returns are received before April 1.

TIPS TO MAKE YOUR TAX LIFE EASIER:

1. USE IRS E-FILE NOW; PAY LATER

There's no need to hold onto your tax return just because you owe the government money. You can file electronically now and set your automatic payment for April 15th. You can use IRS e-file either through your tax preparer or purchased software. You can pay through an automatic debit to your bank account. You also can pay by credit card. If the government owes you money, use e-file now, ask for a direct deposit and get your refund within 10 days. IRS e-file is fast, accurate and secure.

An e-filed return is accepted or rejected within 48 hours. It has only a 1 percent error rate compared to 20 percent for a paper return. IRS e-file, which started in 1986, has handled nearly 300 million tax returns over 17 years without incident.

2. FREE FILE

The newest way to file your taxes this year is by using the free software offered by one of 17 companies. The software companies are offering free use of their proprietary software and free IRS e-filing to those taxpayers who meet certain criteria. Taxpayers who meet the companies' eligibility for free services - and most taxpayers will be eligible based on income, age or state residency - can click on the Free File site through www.irs.gov. Even if a taxpayer is not eligible for Free File, they should still consider using IRS e-file either through their preparer or their purchased software. The

IRS already has surpassed its first-year goal of 2 million Free File returns. Eligibility for Free File is based on income, age, state residency or military service.

3. IRS.gov and "WHERE'S MY REFUND?"

The IRS Website is a taxpayer's best source of information 24 hours a day, seven days a week. At www.irs.gov, taxpayers can find just about all the forms and publications they need to prepare their taxes. Taxpayers can find answers to many of their questions by looking at Tax Tips or Frequently Asked Questions. Taxpayers at IRS.gov can click on Free File and prepare their taxes. They also can click on "Where's My Refund?" and find out the status of your refund. "Where's My Refund?" is the most common question asked of IRS customer service representatives. In addition to the new web site link, IRS also established a new toll free Refund Hotline at 800-829-1954. Since January, the "Where's My Refund?" Web site has logged 8.7 million requests.

4. PREPARE NOW

Make sure you have all the documents you need. Gather your W-2, which shows your wages and the state and federal taxes withheld. If you have interest earned on a bank account or money fund, you will need your Form 1099 showing interest earnings. If you own a home, you will need your Form 1098, which shows the amount of mortgage interest you paid and the amount of real estate taxes paid. If you itemize, make sure you locate the receipts for your deductions such as charitable donations, medical expenses or other items. Be sure to have all required Social Security numbers for you, your spouse, children or child care provider. Avoid common errors such as a wrong Social Security number, a math mistake or forgetting to sign your tax return.

5. FILE FOR EXTENSION

Still need more time? File for an extension, either by using the telephone or electronic filing, before April 15. Last year, 8.2 million taxpayers needed the automatic four-month extension. Remember, the Form 4868 is an extension to file a return; not an extension to pay taxes due. You still must pay your estimated balance, if you owe taxes, by the April 15 deadline. Can't pay? Call the IRS and ask about an installment plan. The Form 4868 provides for an automatic extension to file until August 15.

###