

File smart

and save BIG this tax season.



It's that time of year again. Do you put off filing your income tax returns until the last minute? Are you confused by all the different forms you need to fill out? If so, you're not alone. But did you know there's plenty of help out there? And the best part is, much of it is FREE.

Here are 3 easy ways to file your federal and state income tax returns...

1

Get Help at a Free Tax Preparation Site

Several Volunteer Income Tax Assistance (VITA) sites provide free services in DC. Most VITA sites can also electronically file (e-file) your tax return, so you'll get your refund fast. Find out if you qualify for free tax preparation and locate a VITA site in your neighborhood. In DC, call 202-463-6211 or visit www.dceitc.org. In MD, call 1-800-492-0618 or visit www.baltimorecashcampaign.org.

2

Save time. File online.

If you have internet access, you can avoid waiting in line to file your taxes. Workers who earned \$40,000 or less in 2006 can file their federal and state tax returns online (for free!) at www.beehivedc.org (DC residents) or www.baltimorebeehive.org (MD residents). Visit the Beehive to find out if you qualify for a refund through the Earned Income Tax Credit (EITC), and browse the Money section (www.thebeehive.org/money) to learn how to make the most of your tax return.

If your income was less than \$52,000 in 2006, you may also be able to file a free Federal return online by visiting www.irs.gov and linking to the Free File Alliance program. Note: If you choose this option, be aware that you will have to pay a fee to file your state tax return(s).

3

Choose a paid preparer wisely

Taxes can be complicated. If you're a business owner, rental property owner, or if you have taxable investment income or other complicated issues that affect your taxes, it may make sense to pay for professional assistance. You should expect to spend between \$100 and \$150 on average. But not all paid tax preparers are equal.

See tips for choosing a paid preparer on the other side →

IT'S YOUR MONEY.
CLAIM IT & KEEP IT!
DC SAVES
DCEITC.ORG



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CASH
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Creating Assets, Savings and Hope

No matter how you choose to file, get your refund fast by direct deposit... →

Here's a list of things to keep in mind when choosing a paid preparer:

- ✓ **DO** choose a preparer who has a permanent office and will be around for months, or even years, after the return has been filed in case there is a problem with your tax return.
- ✓ **DO** ask your friends and neighbors who they use and trust.
- ✓ **DO** ask about the preparer's qualifications. Tax professionals should be properly trained and should keep up with yearly changes to the tax code.
- ✓ **DO** ask how your preparer will determine the fee for tax services. Ask if there are any costs for additional schedules (like Schedule EIC) or forms. Ask about fees for different refund options. Avoid preparers who base their fee on the amount of your refund.
- ✗ **DON'T** sign up for "Fast Cash Refunds" or "Instant Refunds." Most of the quick refunds are actually refund anticipation loans (RALs). When you get a RAL, you're borrowing against your refund, not getting your refund earlier. These loans are expensive and can cost up to \$100, or even more, on top of what you pay for tax preparation. If you need your refund fast, ask about other options.
- ✗ **DON'T** work with anyone who suggests you lie or fudge numbers. You will be responsible for errors.
- ✗ **DON'T** sign a tax return that is blank or completed in pencil. Sign the return or authorize e-filing only after you have reviewed it with your preparer. Ask questions about anything you don't understand.
- ✓ **DO** make sure the preparer signs your completed return and includes their address and Employer Identification Number (EIN) or Social Security Number. This is required by law.
- ✓ **DO** make copies of all the documents you give the preparer. Be sure to get a copy of your completed return and keep it on file for at least 3 years.

Get your refund fast, without spending a fortune.

It pays to take advantage of direct deposit at tax time. It's safe and hassle-free, and your refund can be **deposited electronically into your checking or savings account within 7-10 days**, rather than mailed to you in a few weeks. Now taxpayers can choose up to three different accounts for their refund—including checking, savings, and retirement accounts—giving you even greater control over your money.

Getting your refund by direct deposit also lets you avoid check cashers who may charge an extra fee to cash your refund check. **Avoid extra check-cashing fees and use Form 8888 to direct deposit your refund into up to three accounts.** You can put some of your money into a checking account to use now, and put some of your money into your savings for a rainy day!



For FREE tax help in your area, call:
DC: 202-463-6211 • VA: 800-829-1040 • MD: 800-492-0618