

# Tax Preparation Tips

## Free Tax Help

From February through mid-April, volunteers help people with low incomes fill out their tax forms at various locations around Minnesota. For the dates, times and locations of free tax assistance clinics, call: 651-296-3781 or 1-800-652-9094. Free tax help clinics will also be listed on the Internet at:

[www.accountabilitymn.org](http://www.accountabilitymn.org) or [www.taxes.state.mn.us/vita](http://www.taxes.state.mn.us/vita)

## WHAT YOU SHOULD BRING TO HAVE YOUR TAXES PREPARED:

- Valid picture I.D
- Social Security card or Individual Taxpayer Identification Number for every person in the house
- Birth dates for every person in the house
- Income statements or forms:
  - Copy of wage information for each job (Form W-2)
  - Interest (Form 1099-INT)
  - Dividends (Form 1099-DIV)
  - Alimony received
  - Retirement Plans (Form 1099-R)
  - Gambling Winnings (Form 1099-2G)
  - Unemployment (Form 1099-G)
  - Social Security Benefits (Form SSA-1099)
- Year-end income statements for MFIP (MN Family Investment Program), SSI (Supplemental Security Income), MSA (MN Supplemental Aid), General Assistance (GA), Veteran's benefits and worker's compensation.
- Receipts for educational expense paid for child(ren) attending kindergarten through 12<sup>th</sup> grade. For example: pens, paper, calculators, tutoring, rental/purchase of instrument, music lessons, etc.
- Tuition, enrollment fees, and student activity fees paid for the taxpayer, spouse, or dependent to attend college, technical school, or classes to improve job skills. (Form 1098-T).
- Interest paid on student loans (Form 1098-E).
- Daycare expenses paid for children ages 12 and under. Bring provider's name, address, and tax ID or Social Security Number.
- Documentation of other expenses you may wish to deduct, such as: medical expenses you paid out of your own pocket; charitable donations (cash or in-kind); vehicle license tab fees; tax preparation fees; uniform costs.
- A copy of your previous year's tax return. **Eligible taxpayers can file three years back for unclaimed tax credits.**
- **Homeowners:** Mortgage interest (Form 1098), property taxes paid, property tax refunds received
- **Renters:** Certificate of Rent Paid (CRP) from your landlord; renters' credit refunds received
- Direct deposit information for a checking or savings account.

## Tax Refund Loans: Don't Give Away Your

Tax Refund *Excerpt from Mid-MN Legal Assistance Fact Sheet*

Some tax preparers offer a way to get your tax refund fast. These are called Rapid Refunds or Refund Anticipation Loans (RALs). They promise to get your money to you in only a few days. Before you go for your "fast cash," here are some things you should know:

- Refund Loans have high interest rates and fees! Borrowing \$1,500 for 2 weeks can cost you \$75 or more, plus the tax preparer's fees, which average \$100.

- Your refund can be taken to pay off another loan. If you owe money to a bank or other companies, signing Refund Loan forms may let them use your refund to pay off money you owe. Signing the loan form may leave you no refund at all!!
- The IRS checks (audits) some tax returns each year. If they choose to check yours, your refund will be frozen by the IRS. The company that gave you the Refund Loan won't be paid until the IRS is done checking your return. The company will then charge you even more interest.

Tax preparers who offer Refund Loans must give you a notice showing the Annual Percentage Rate (APR) of the loan, the amount your refund will go down, and the time it will take to get your refund without the loan.

They must warn you if you will have to pay more interest if your refund is delayed. You and the tax preparer must sign this notice. S/he must give you a bill listing how much you are paying for doing the return, computer filing, and the Refund Loan (if you get one). If your tax preparer doesn't follow these rules, report it to the Minnesota Department of Revenue. You can also take them to court. If you win your case, the tax preparer may have to pay your attorney's fees. If you are low-income, call Legal Aid at (612) 334-5970 or 1-(800) 292-4150.

**You don't need to take out a loan to get your taxes done. You can get your taxes done for free and receive your refund fairly quickly. See the beginning of the fact sheet.**