

# HAVE YOU FILED YOUR TAX RETURNS?



## ➔ Why is it important to file my tax return?

If you're required by law to file a tax return and you do not, the IRS is authorized to prepare a federal income tax return for you based upon the information sent to the IRS from your employers. This may result in the IRS sending you a bill for taxes that it *thinks* you owe. If you do not file and pay your taxes on time, the IRS charges late filing penalties, late payment penalties, and interest on the amount owed. If you are required to file a federal income tax return and you intentionally do not, you could be charged with a crime. If you are convicted, you can be fined up to \$25,000 and even receive a prison sentence!

If you owe the IRS from a previous year and you can't afford to pay, the IRS will not let you enter into a payment plan or any other collection alternative until you file all the outstanding tax returns you were required to file.

If you are an Illinois resident, the law requires you to file your **state** income tax return if you were required to file a federal income tax return, or if your Illinois base income is greater than the Illinois exemption allowance.

## ➔ Am I required to file a tax return?

You **must** file a federal income tax return if your gross income is equal or greater to the amounts below:

FILING STATUS	Gross income in 2012
Single	\$9,750
Married Filing Jointly	\$19,500
Married Filing Separately	\$3,800
Head of Household	\$12,500
Qualifying Widower with Children	\$15,700

\* For individuals over age 65, an additional standard deduction amount is provided.

**NOTE:** If you have net income of **\$400** or more from *self-employment*, you **must** file a return even if your total income is less than the amounts above.

## ➔ My income is very low. Should I file a tax return even if I'm not required to file one?

Probably! If you didn't earn enough income to have a filing requirement, you might want to file if:

- You had **taxes withheld** from your paycheck (you may be able to get a refund of the amount withheld). Additionally, you will want to file an Illinois income tax return to get a refund of Illinois income tax withheld from your paycheck or estimated tax payments you made.
- You might be eligible for the **Earned Income Tax Credit**, a special tax credit for working families. You must have a valid social security number, you must have been a U.S. Citizen or resident alien for the entire year, and you must have "earned income." There are certain income and other limitations. In 2012, for qualifying families with 3+ qualifying children, the maximum amount of Earned Income Tax Credit a taxpayer can receive is \$5,891.
- You were **entitled to a refund in a prior year** but did not file a return; you may still be able to get your refund by filing your late return within three years after the due date.

## ➔ How do I get my W-2 information?

If you have lost your W-2 information, you can contact your previous employers to see if they still have copies of your W-2. Alternatively, you can request the information directly from the IRS - call (800) 829-1040 and ask the IRS to send you your "Wage and Income Transcript" for the years in question. This includes W-2 wage information and 1099 self-employment, retirement and pension, and Social Security information. There is no fee for requesting this information.

## ➔ If you use a paid tax return preparer...

Unfortunately, sometimes preparers can make mistakes. Once you sign your return, you are solely responsible for everything on the return, even if the preparer makes a mistake. Be sure to:

- **Read the return and make sure you understand it and agree with it before you sign;**
- **Keep a photocopy of the return signed by both you and the preparer;**
- **Make sure the preparer has inputted his/her name, address, phone number, and preparer ID number on the return.**

Beware if your preparer offers you a Refund Anticipation Loan (RAL) or Refund Anticipation Check (RAC). These services have extremely high fees and extremely high interest rates. You will lose a large portion of your refund. Instead, you can get your refund quickly by e-filing and having your refund deposited directly into your bank account.

## ➔ Where can I get help filing my tax returns?

You may be eligible for free income tax preparation at one of CEP's 12 tax sites in Chicago and the surrounding suburbs. Each year from January to April, CEP's trained volunteers help nearly 20,000 people file their taxes to get all the tax credits they've earned and refunds they're owed. Furthermore, CEP's tax sites can help you open a bank account, learn ways to save for the future, and better manage your money. Visit [www.economicprogress.org](http://www.economicprogress.org) to find a tax site near you.



The Center for Economic Progress (CEP) helps low-income individuals and families move from financial uncertainty to financial security.

[www.economicprogress.org](http://www.economicprogress.org)

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**Tax Clinic Help Line:**  
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