

IRS News Release

Media Relations Office

For Release: Immediate
October 18, 2010

IRS Fall Tax Tips

Augusta...The Internal Revenue Service wants to remind taxpayers that the fall is a good time to conduct a review of their tax situation. Take into account the latest tax changes, check your withholding status and start organizing your records. Remember to avoid any unsolicited e-mails claiming to come from the IRS. Don't become a victim of "phishing" scams.

"Spending some time now reviewing your current tax situation and learning about tax credits, may result in a bigger refund or less taxes to be paid at tax time," said Peggy Riley, IRS Spokesperson.

Don't Miss Out on Recovery Tax Provisions

The IRS reminds taxpayers to take advantage of the American Recovery and Reinvestment Act of 2009 tax breaks that are still available. Tax incentives are still available for making energy efficient improvements to your home and for college expenses paid by parents or students.

Residential Energy Property Credit – the Recovery Act increased the energy tax credit for homeowners who make energy efficient improvements to their existing homes. The credit rate is increased to 30 percent of the cost of all qualifying improvements and raises the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010. The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy-efficient heating and air conditioning systems.

American Opportunity Credit – this credit expanded and renamed the already-existing Hope credit, making it available to a broader range of taxpayers. The credit can be claimed for tuition and certain fees you pay for the first four years of higher education in 2009 and 2010. The income guidelines have been expanded and required course materials are added to the list of qualified expenses. Many taxpayers that are eligible will qualify for the maximum annual credit of \$2,500 per student.

Check Your Withholding

IRS encourages taxpayers to take a few minutes to double check their federal withholding to make sure they are having enough taxes taken out of their pay.

The average refund for 2009 was \$2,887, up 8 percent from 2008. Even though the [Making Work Pay Tax Credit](#) lowered tax withholding rates in 2009 and 2010 for millions of American households, some workers and retirees still need to take steps to be sure enough tax is being taken out of their checks.

Those who should pay particular attention to their withholding include:

- ◆ Married couples with two incomes
- ◆ Individuals with multiple jobs
- ◆ Dependents
- ◆ Some Social Security recipients who work and
- ◆ Workers who do not have valid Social Security numbers.

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Retirees who receive pension payments may also need to check their federal withholding.

As was the case in 2009, taxpayers who wind up owing tax because too little was taken out of their paychecks during 2010, may qualify for [special relief](#) on a penalty that sometimes applies. Depending on their personal situation, some people could have less withheld from their paychecks than they need or want. Failure to adjust withholding could result in potentially smaller refunds or in limited instances may cause a taxpayer to owe tax rather than receive a refund next year.

The [IRS withholding calculator](#) on IRS.gov can help a taxpayer compute the proper tax withholding. Worksheets in [Publication 919](#), How Do I Adjust My Withholding?, can also be used to do the calculation. If the result suggests an adjustment is necessary, the taxpayer should submit a new [Form W-4](#), Withholding Allowance Certificate, to his or her employer, or adjust the amount of quarterly tax paid.

Maintain Good Tax Records

You can avoid headaches at tax time by keeping track of your receipts and other records throughout the year. Good recordkeeping will help you remember the various transactions you made during the year, which in turn may make filing your return a less taxing experience. Remember, good recordkeeping will ensure you do not miss out on any tax deductions. [Publication 552](#), Recordkeeping for Individuals, will help you in knowing what records you need and how long to keep them.

Don't Get Hooked by "Phishing" Scams

The IRS reminds taxpayers not to become a victim of e-mail scams, referred to as phishing scams. Recipients of questionable e-mails claiming to come from the IRS should not open any attachments or click on any links contained in the e-mails. Instead, they should forward the e-mails to phishing@irs.gov. Remember, the IRS does not send unsolicited e-mails to taxpayers.

Visit IRS.gov Web site

IRS.gov provides a wealth of information. You can access tax forms and publications; learn about electronic filing; check the status of your refund; calculate the amount of withholding on your W-4; and, request an online payment agreement. You can even get information about a career with the IRS. Best of all, you can access IRS.gov 24 hours a day, seven days a week.

