



**TAXES 101**  
Helping the people you serve make the most of tax time

**Leveraging Tax Time and Community Resources:**






Today's presenter



Shawna Faith Thompson  
Financial Capability  
Educator  
University of MN  
Extension




**Free Tax Preparation**




**What is free tax preparation?**

1. Taxes are prepared by IRS-certified volunteers who are passionate and will help taxpayers get their maximum refund.
2. 250+ free tax preparation sites in Minnesota.
3. Free means free. There are no hidden fees at free tax preparation sites.
4. E-file is available. When used with direct deposit, taxpayers get their refund quickly.
5. Every return is reviewed by a second set of eyes.



## Free Tax Preparation in Minnesota

### VITA

- Volunteer Income Tax Assistance
- Income based
- No age requirement

### Law Clinics

- Complicated situations
- Mid-Minnesota Legal Aid
- U of MN Law School

### AARP

- No income requirement
- No age requirement



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## Finding a free tax preparation site

### Online

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



### Phone

1-800-543-7709

Call United Way  
**2-1-1**  
 Get Connected. Get Answers.

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## MyFreeTaxes



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## Tips for Choosing a Paid Tax Preparer

- Check qualifications.
- Read reviews of the preparer.
- Ask about service fees.
- Check that the preparer is accessible.
- Review the entire return before signing.



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### Questions to help direct your clients to a free tax preparation site:

- Where did you file your taxes last year?
- Have you received your W-2?
- Do you usually pay to get your taxes prepared?
- Did you know that on average it costs \$250 to file taxes but it's free at a free tax preparation site?
- You make under \$35,000 (individual) or \$55,000 (family) a year so you are eligible for a free tax preparation.
- What's your zip code? We can find a free tax preparation site near you! (Google "free tax prep Minnesota"). The list will be released in late January.
- Do you know what to bring with you when you file your taxes? If not, here is a tear off with a list.

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### Questions to inform your clients about tax credits

- You had earned income in 2017? That's great because you could receive the Earned Income Tax Credit.
- I see you rent and made less than \$59,960. Did you know about the Renter's Credit? You can claim up to \$2,100.
- Congratulations on your new baby! Your taxes will be different now, would you like help getting them prepared by a volunteer?
- You told me once that you helped care for an adult dependent who lived with you for more than half the year. Did you know you could be eligible for the Child and Dependent Care Credit?

For a complete list of tax credits, visit the Claim it! website here: <http://www.youclaimit.org/credittoknow>

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## Resources for Taxpayers



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### MAXIMIZE THE MONEY MOMENT!

- Often times, this is the single biggest check people with low incomes receive all year
- Building savings can help weather financial emergencies throughout the year
- Saving while filing your return can be easy and automatic



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### AVERAGE HOUSEHOLD BUDGET: FALLING BEHIND DURING THE YEAR & CATCHING UP AT TAX TIME

Monthly Income		Monthly Expenses	
Earned Income	\$1,887	Housing & Utilities	\$690
Government Benefits	\$269	Children & Household	\$527
Kinship Support	\$142	Food	\$512
Child Support	\$38	Transportation	\$388
		Nonessentials	\$322
		Debt Payments	\$173
		Medical	\$72
<b>Monthly Income</b>	<b>\$2,363</b>	<b>Monthly Expenses</b>	<b>\$2,683</b>
Tax Refund	\$4,686		
<b>Annual Resources</b>	<b>\$33,042</b>	<b>Annual Expenses</b>	<b>\$32,198</b>

**+\$844** TAXES 101

Source: It's Not Like I'm Poor by Jennifer Sykes, Kathryn Edin, Laura Tach, and Sarah Halpern-Meehan

### SAVEYOURREFUND SAVE SMALL ★ WIN BIG PRESENTED BY CDO FUND

- Through SaveYourRefund, all tax filers 18 and older who use Form 8888 to save a portion of their tax refund can enter a promotion — via text or web — for a chance to win 100 weekly \$100 prizes and the grand prize of \$25,000.
- Taxpayers can enter in January 2018 for a chance to win.
- Help taxpayers build habit of saving.
- See more at: <http://www.saveyourrefund.com>

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- [www.mncun.org/mpage/WINcentiveSavings](http://www.mncun.org/mpage/WINcentiveSavings)

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### COMMON BARRIERS TO SAVING AT TAX TIME

- Have already “spent” their refund
- Tax site volunteers or staff don’t have a conversation about saving with tax payers
- Don’t have account info
- Don’t have an account or savings vehicle
- Worried that savings will affect their benefit eligibility
- Fear of garnishment or recapture



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## COMMON QUESTIONS



- Where is my refund?
  - <https://www.irs.gov/Refunds>
  - <http://www.revenue.state.mn.us>
- What if I don't get my W2's?
  - <https://www.irs.gov/uac/Newsroom/For-m-W2-Missing-IRS-Can-Help/>
  - ✓ <https://www.irs.gov/pub/irs-pdf/i1095a.pdf>
- Employer's required to have W2's addressed and mailed by January 31<sup>st</sup> each year.



## MORE COMMON QUESTIONS

- What is a CRP?
  - Certificate of Rent Paid
  - [http://www.revenue.state.mn.us/individuals/prop\\_tax\\_refund/Pages/Renters\\_Property\\_Tax\\_Refund.aspx](http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Renters_Property_Tax_Refund.aspx)
- What if my refund is recaptured?
  - [http://www.revenue.state.mn.us/collections/factsheets/Revenue\\_Recapture\\_Fact\\_Sheet.pdf](http://www.revenue.state.mn.us/collections/factsheets/Revenue_Recapture_Fact_Sheet.pdf)
- What is Form 1095? (A, B, C)
  - **NEW** - Insurers, self-insuring employers, other coverage providers, and applicable large employers now have until March 2, 2018, to provide Forms 1095-B or 1095-C to individuals, which is a 30-day extension from the original due date of Jan. 31.



## LEGAL HELP



- Assistance for low to middle income taxpayers with audit, back tax debt, or other legal issues related to taxes.
  - Mid-Minnesota Legal Aid Tax Law Project  
Intake Line: (612) 334-5970
  - University of Minnesota Tax Law Clinic  
Intake Line: (612) 625-5515
  - Volunteer Lawyers Network  
Intake Line: (612) 752-6677
- No assistance with tax preparation or filing



## New from the IRS:



- [https://www.irs.gov/payments?\\_ga=1.25761114.7.1499622906.1440163052](https://www.irs.gov/payments?_ga=1.25761114.7.1499622906.1440163052)
- Allows taxpayers to view their IRS account balance, which will include the amount they owe for tax, penalties and interest.
- Taxpayers may also continue to take advantage of the various online payment options available by accessing any of the payment features including: direct pay, pay by card and Online Payment Agreement.



## Resources for Diverse Audiences



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## Individual Taxpayer Identification Number ITIN

- Individual Taxpayer Identification Number ITIN from the IRS is a nine-digit number used for **federal tax purposes only**.
  - Used to file taxes for those who are not eligible to obtain a Social Security Number SSN.
- American Citizens, and people admitted as Permanent Resident or U.S. Employed **don't need** to apply for an ITIN
- ITIN holders are **not eligible**:
  - To claim the Earned Income Tax Credit EITC, the Premium Tax Credit or the ACA Premium Tax Credit.
  - For social security benefits
  - Doesn't change immigration status or the right to work in the U.S. --Prepare + Prosper (2016)



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## ITIN: Tax Benefits

- ITIN filers may be eligible for:
  - Child Tax Credit
  - Additional Child Tax Credit
  - American Opportunity Credit
  - Hope and Life Time Learning Educational Credits
  - Child and Dependent Care Credit
- May access to an interest bearing bank account
- May claim Minnesota Renters' Property Tax Refund

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## Tax: Benefits for Diverse Audiences

- A Federal Income Tax Return:
  - An document that may prove time living in the country
  - One of the documents required for immigration application process
- Financial aid applications require information from the income tax return.
  - <https://studentaid.ed.gov/sa/fafsa/filling-out#providing-financial-information>
- Can provide Information needed for home buying and other loans



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## How to apply for an ITIN

- File a **IRS W-7(SP) form** in conjunction with an income tax return.
- The W7 and income tax return will need to be sent along with original notarized documents, showing identity, foreign status and presence in the US:
  - passport, national or state ID's, birth certificate, military ID card, ID with photo from the U.S. Citizenship and Immigration Services, etc.
- Assistance with the W-7(SP):
  - Through an IRS Authorized Acceptance Agent,
  - Visiting an IRS Technical Assistance Center (TAC) or
  - Contacting the ITIN Operations Center in Austin, TX
- ITIN Acceptance Agents in Minnesota :  
<https://www.irs.gov/Individuals/Acceptance-Agents---Minnesota>



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## Questions?



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## ADDITIONAL RESOURCES

- **Help Minnesota Save Website:**
  - Offers front line staff a clearing house of financial education materials including tax related information at [www.helpmnsave.org](http://www.helpmnsave.org)
- **Law Help Minnesota**
  - Tax fact sheets and translated tax information resources at [www.lawhelpmn.org](http://www.lawhelpmn.org)

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## ADDITIONAL RESOURCES

- **University of Minnesota Extension**
  - <http://www.extension.umn.edu/family/personal-finance/work-and-taxes>
- **Premium Tax Credit**
  - MNsure: [www.mnsure.org](http://www.mnsure.org)
  - Center on Budget and Policy Priorities: <http://www.healthreformbeyondthebasics.org/>

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## ADDITIONAL RESOURCES

- Consumer Financial Protection Bureau
  - <http://www.consumerfinance.gov/blog/taxtime2015/>
- Local IRS Taxpayer Advocate:
  - 1-877-777-4778 to find an advocate in your state  
OR
  - Fill out Form 911:  
<https://www.irs.gov/pub/irs-pdf/f911.pdf>



## Thank you!

Tell us how we did and help us improve Taxes 101 for next year by completing the **evaluation** you'll receive in your email from the University of Minnesota Extension.



## Contact Information

**Shawna Faith Thompson**  
Financial Capability Educator  
University of MN Extension  
[shawnaft@umn.edu](mailto:shawnaft@umn.edu)

