

## Tax Tips You Can Use



### Refund myths

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This article is an IRS publication to help taxpayers debunk the refund myths. It is the just released IRS-2017-16 and is still useful in 2020.

WASHINGTON — As millions of people begin filing their tax returns, the Internal Revenue Service reminded taxpayers about some basic tips to keep in mind about their refunds.

During the early parts of the tax season, early filers are anxious to get details about their tax refunds. And in some social media, this can lead to misunderstandings and speculation about refunds. The IRS offers some tips to keep in mind.

#### **Myth 1: All Refunds Are Delayed**

While more than 90 percent of federal tax refunds are issued in the normal timeframe – less than 21 days – it is true some refunds may be delayed – but not all of them. Recent legislation requires the IRS to hold refunds for tax returns claiming the Earned Income Tax Credit (EITC) or the Additional Child Tax Credit (ACTC) until mid-February. Other returns may require additional review for a variety of reasons and take longer. For example, the IRS, along with its partners in the state’s and the nation’s tax industry, continue to strengthen security reviews to help protect against identity theft and refund fraud. The IRS encourages taxpayers to file as they normally would.

#### **Myth 2: Calling the IRS or My Tax Professional Will Provide a Better Refund Date**

Many people mistakenly think that talking to the IRS or calling their tax professional is the best way to find out when they will get their refund. In reality, the best way to check the status of a refund is online through the “[Where’s My Refund?](#)” tool at [IRS.gov](https://www.irs.gov) or via the [IRS2Go mobile app](#). Taxpayers eager to know when their refund will be arriving should use the "Where's My Refund" tool rather than calling and waiting on hold or ordering a tax transcript. The IRS updates the status of refunds once a day, usually overnight, so checking more than once a day will not produce new

information. “Where’s My Refund” has the same information available to IRS telephone assistants so there is no need to call unless requested to do so by the refund tool.

### **Myth 3: Ordering a Tax Transcript a “Secret Way” to Get a Refund Date**

Ordering a tax transcript will not help taxpayers find out when they will get their refund. The IRS notes that the information on a transcript does not necessarily reflect the amount or timing of a refund. While taxpayers can use a transcript to validate past income and tax filing status for mortgage, student and small business loan applications and to help with tax preparation they should use “Where’s My Refund?” to check the status of their refund.

### **Myth 4: “Where’s My Refund,” Must be Wrong Because There’s No Deposit Date Yet**

[Where's My Refund?](#) on both [IRS.gov](#) and the [IRS2Go mobile app](#) will be updated with projected deposit dates for early EITC and ACTC refund filers a few days after Feb. 15. Taxpayers claiming EITC or ACTC will not see a refund date on Where's My Refund? or through their software package until then. The IRS, tax preparers and tax software will not have additional information on refund dates.

The IRS cautions taxpayers that these refunds likely will not start arriving in bank accounts or on debit cards until the week of Feb. 27 -- if there are no processing issues with the tax return and the taxpayer chose direct deposit. This additional period is due to several factors, including banking and financial systems needing time to process deposits. Taxpayers who have filed early in the filing season, but are claiming EITC or ACTC, should not expect their refund until the week of Feb. 27. The IRS reminds taxpayers that President’s Day weekend may impact when they get their refund since many financial institutions do not process payments on weekends or holidays.

See the [What to Expect for Refunds in 2017](#) page and the [Refunds FAQs page](#) for more information.

### **Myth 5: Delayed Refunds, those Claiming EITC and/or ACTC, will be Delivered on Feb. 15**

By law, the IRS cannot issue refunds before Feb. 15 for any tax return claiming the Earned Income Tax Credit ([EITC](#)) or Additional Child Tax Credit ([ACTC](#)). The IRS must hold the entire refund, not just the part related to the EITC or ACTC. The IRS will begin to release these refunds starting Feb. 15.

These refunds likely won’t arrive in bank accounts or on debit cards until the week of Feb. 27. This is true as long as there is no additional review of the

tax return required and the taxpayer chose direct deposit. Banking and financial systems need time to process deposits, which can take several days.

### **More Information About “Where’s My Refund”**

“Where’s My Refund?” can be checked within 24 hours after the IRS has received an e-filed return or four weeks after receipt of a mailed paper return. “Where’s My Refund?” has a tracker that displays progress through three stages: (1) Return Received, (2) Refund Approved and (3) Refund Sent.

Users who access “Where’s My Refund?” on [IRS.gov](https://www.irs.gov) or the IRS2Go app must have information from their current, pending tax return to access their refund information. The IRS reminds taxpayers claiming the EITC or the ACTC that recent legislation requires the IRS to hold those refunds until mid-February. Keep in mind that only a small percentage of total filers will fall into this situation. The change helps ensure that taxpayers get the refund they are owed by giving the IRS more time to help detect and prevent tax fraud.

The IRS continues to strongly encourage the use of e-file and direct deposit as the fastest and safest way to file an accurate return and receive a tax refund. More than four out of five tax returns are expected to be filed electronically, with a similar proportion of refunds issued through direct deposit.

I hope this helps answer some questions. Remember this is the IRS. Oregon is holding up all refunds.

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*The fine print: This article is for information only. Please see your tax professional for questions about your individual tax situation.*