
Filing Your Taxes: When, Why, and How to Get the Help You Deserve

The process of filing income tax returns is, for many Americans, not a favorite annual event. A common reason people put the task off is because they know they will owe money - and can't afford to pay. Yet not filing or filing late comes with some pretty big repercussions. Some of the drawbacks of not filing by April 15 (or April 16 this year) (or August 15, if you file an extension) are:

- Forfeiting the opportunity to pay in installments.
- Your tax bill could increase by 25% or more, due to penalty and interest charges.
- Additional penalties and/or criminal prosecution if you continue to not file.
- Losing the refund, if there's one due (the deadline for claiming refunds is three years after the return due date).
- Not getting the Earned Income Tax Credit, if you're entitled to it.
- The loss of Social Security credits that go toward your retirement (if you are self-employed and don't file returns within three years of the due date).

If you do owe a big tax bill, don't despair - the government wants to make it easy for you to pay. Most people are able to arrange for an installment program, where the amount owed is spread out over time. You may even be able to obtain an offer in compromise (settling for less than the amount owed). But remember, you have to file to be eligible for either option.

Another common reason for filing tax returns late or not at all is that it can be a grueling and confusing procedure. However, many people can take advantage of free tax return assistance programs. Here are some of the biggies:

Volunteer Income Tax Assistance Program (VITA)

If you make under \$35,000, the IRS has arranged for you to receive free tax preparation assistance. Specially trained volunteers set up shop in such convenient locations as libraries, schools, and shopping centers, and can help you prepare basic tax returns. Many locations even offer free electronic filing. Call 1-800-829-1040 for the location of your nearest VITA site.



Tax Counseling for the Elderly (TCE)

Over the age of 60? Then you are eligible for the Internal Revenue Service's (IRS's) TCE Program. Services include free tax counseling and basic income tax return preparation. For more information on TCE, call 1-800-829-1040.

AARP Tax-Aide

Whether you are a senior citizen or are a low to middle income earner, you can take advantage of AARP's Tax-Aide counseling program (part of the TCE Program). During tax time, trained and certified volunteers help prepare taxes at over 9,000 sites across America. To locate your closest site, call 1-888-227-7669.

The Armed Forces Tax Council (AFTC)

The military is a partner in the VITA Program, so if you are in the Army, Air Force, Navy, Marine Corps, or Coast Guard, you and your family can get free tax advice and assistance within your installations. The AFTC oversees the operation and serves as the main conduit for outreach by the IRS to military personnel and their families.

The IRS

The IRS wants to help. Really. They offer free, individualized advice by computer, telephone, and in person to all taxpayers - with no income or age restrictions. IRS employees help you obtain forms and publications and can answer a wide range of tax questions. Assistance is available by calling 1-800-829-1040.

Source: Balance Financial Fitness Program. (n.d.). Filing your taxes: When, why, and how to get the help you deserve. Retrieved March 21, 2005, from <http://www.balancepro.net/eapeducation/filingyourtaxes.html>.

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