Tax Filing Assistance | Income Tax Information | FAQs | E-File for Free

March 2022

Tips Before Filing

COMMON TAX MYTHS

Myth: My minor child is not required to pay taxes on his or her income.

Fact: Regardless of age, individuals who earn at least the <u>minimum earned</u> income amount are required to file and pay tax on that income.

Myth: If I donate to a public school or qualifying charity, I will get all of that money back in my income tax refund.

Fact: These credits may only be used to the extent that they reduce a tax liability to zero. Any unused amounts can be carried forward for up to five consecutive years.

Myth: Everyone receives a Form 1099-G if they received a tax refund.

Fact: The <u>AZTaxes website</u> will only supply Form 1099-G to taxpayers who itemized on their prior-year federal return and received a state refund.

Myth: I cannot influence if I receive a refund or owe tax.

Fact: Taxpayers can check out the <u>Withholding Calculator</u> to choose the right amount of tax withheld from your paycheck and make sure you are not having too little or too much state tax withheld.

Myth: There is no free option to file my state return.

Fact: The <u>Free File Alliance</u> is a nonprofit coalition of industry-leading tax software companies partnered with ADOR and the IRS to provide free electronic tax services. Free File is the fast, safe and free way to do your tax return online. Individuals who meet <u>certain criteria</u> can get assistance with income tax filing.

Myth: I have filed an extension this year, so I don't need to pay anything yet.

Fact: Extensions only extend the time you have to FILE the return, not the time you have to PAY any taxes owed.

Myth: If I mail my return to 1600 W. Monroe, it will be processed.

Fact: If filing by paper, mail to the correct P.O. Box listed on the form according to tax due or refund. ADOR staff spend time researching and transferring payments and returns to the appropriate department thus delaying the process of payments and refunds.

Myth: The Arizona Department of Revenue has not processed my return and refund so I should resubmit it to ensure the Department received it.

Fact: If you mail your tax return or payment, please allow 8 weeks for processing. Do not resubmit a return. Alternatively, you can make electronic payments at <u>AZTaxes.gov</u> and schedule the payment date for a future date. Do not submit an electronic payment if you mailed a paper check.

Myth: IRS and the Arizona Department of Revenue (ADOR) are the same.

Fact: The IRS is the federal government entity and ADOR is the state government. The IRS will not process your state return for ADOR. IRS will likely process checks paid to ADOR into the federal account, but will not transfer to the state account.

E-FILE YOUR RETURN

E-file is a cooperative tax filing program with the IRS that makes it possible for taxpayers to file both federal and state income tax returns electronically. Taxpayers get an acknowledgement of receipt from both the IRS and the Arizona Department of Revenue (ADOR) by email from the software company, so they will know their returns have been received and accepted. Online filing is secure. The information is encrypted and securely transmitted to the IRS and ADOR.

Electronic filing is:

- Fast: Receive your refunds up to six times as fast as paper return filers.
- Accurate: Fewer errors than paper forms.
- Affordable: If you qualify, it's free.
- Paperless: Help the environment by reducing paper usage.

The benefits of filing electronically include:

- E-File and e-pay in a single step.
- E-File early and schedule an electronic payment at the same time for withdrawal from a bank account on a future date. For instance, a taxpayer may prepare and e-file a return in March and schedule the electronic withdrawal prior to the April due date.

PAYING TAXES ELECTRONICALLY

In addition to filing a return electronically, taxpayers can pay their tax due electronically. All you need for an electronic funds withdrawal is the checking and savings account number and the routing transit number for the financial institution.

The benefits of paying electronically include:

- Payment information will only be used for the tax payment(s) authorized by a taxpayer. No unauthorized withdrawals will be made.
- E-Pay is free. No need for paper checks or cash. Although there are no service charges for e-check, taxpayers may want to verify with their financial institution about any fees it may charge. Surcharge may apply for credit/debit card.

DIRECT DEPOSIT OF REFUND

Choose to direct deposit your refund and receive it directly into your bank account or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check.

Why use Direct Deposit?

- Fast. Receive the refund in your account within two business days of process and approval even faster if e-filed! Paper refunds are mailed within three business days after approval, plus mail delivery time, plus a trip to the bank can equal a week later.
- More secure. There is no check to get lost.
- Convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less to process than a check.
- Free. No cost for direct deposit.
- Flexible. Available whether the return is filed electronically or by paper.

Please note, ADOR system's note when a direct deposit has been sent to your bank, but the bank's processing system will determine when you will see the refund in your account. If your bank account rejects the deposit, ADOR will send you a check.

