



Arizona Department of Revenue Individual Income Update

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[March 2023](#)

Tips Before Filing

COMMON TAX MYTHS

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

Fact: The [Free File Alliance](#) is a nonprofit coalition of industry-leading tax software companies partnered with ADOR and the IRS to provide free electronic tax services for individual income taxes. Free File is the fast, safe, and free way to do your individual income tax return online. Individuals who meet [certain criteria](#) can get assistance with income tax filing.

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 [minimum earned](#) 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 [AZTaxes website](#) will only supply Form 1099-G if:

- you itemized deductions on your federal Form 1040, Schedule A, for a tax year and
- your Arizona income tax payments for the tax year exceeded your actual tax liability (e.g., you received a refund, applied your overpayment against your estimated tax obligation, or your overpayment was used to pay another tax liability, applied to a debt owed to another state agency or applied to a voluntary contribution on your tax return).

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: Internal Revenue Service (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. The IRS will likely process checks paid to ADOR into the federal account, but will not transfer to the state account.

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: If I send in a paper payment alone, ADOR knows which account it is for and it will be cashed in a timely manner.

Fact: ADOR needs a [voucher](#) with the payment if not sending it with the original return so it can be applied to the correct account and tax period in a timely manner. The Department spends time researching and connecting the payment to an account if no return or voucher is included thus delaying the return process.

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



(602) 255-3381 or toll-free at (800) 352-4090



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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 [AZTaxes.gov](https://www.aztaxes.gov) and schedule the payment date for a future date. Do not submit an electronic payment if you mailed a paper check.

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 receive an acknowledgement of receipt from both the IRS and 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 cards.

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.

FREE TAX PREPARATION AND FILING

Free File Software

[Free File Alliance](#) 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 fast, safe, and a free way to do your individual income tax return online.

Individuals who meet certain criteria can get assistance with income tax filing. Check out the [ADOR website](#) for free file partners.

1. Review the offers from the vendors listed by clicking on their logo.
2. Follow the (logo) Free File link since another entry to the website may cause a charge for the filing.
3. Select a vendor and begin a return on the website.

The Arizona Department of Revenue does not endorse any specific tax filing product. Any questions regarding software or availability of forms should be directed to the software company.

Fillable Forms

For taxpayers above the Free Fill Alliance AGI threshold, fillable forms are a free way to file a paper state individual income tax return and faster than handwritten returns. You can download the fillable form, enter the information, add necessary associate forms into the package, and it does the math for you, making complex returns simple.

If you choose fillable forms as your free file option, you should be comfortable doing your own taxes.

Limitations with fillable forms include:

- It won't give you guidance about which forms to use or help with your tax situation.
- It only performs basic calculations and doesn't provide extensive error checking.
- Forms supported are most common; not all credit forms are supported.

See instructions for line-by-line guidance.

AARP Tax-Aide

The AARP Foundation Tax-Aide Program offers free assistance to individuals 50 and older, who can't afford a tax preparation service, to file federal and Arizona state returns. Visit the [AARP Tax-Aide website](#) for more information.

Volunteer Income Tax Assistance (VITA)

The VITA Program provides free tax help to people who generally make \$60,000 or less, persons with disabilities, and limited English speaking taxpayers. Visit the [IRS website](#) for more information on VITA.

211 Information

For free, local federal and state tax preparation locations for taxpayers who are elderly, disabled, or low income, visit www.211arizona.org.



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