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Start Now to Claim Most Income Tax Benefits

MANHATTAN, Kan. - The April 15 deadline for filing federal and state income taxes is months away. Even so, taxpayers who gather and organize their tax information early can be better able to take advantage of tax credits and free income tax services, a Kansas State University specialist said.

If due a refund, filing early also can speed that refund, said Carol Young, Kansas State University Research and Extension financial management specialist. She offered these tax tips:

- * Start now to organize and categorize receipts.
- * Check to see if you qualify for one or more tax credits. For example, working individuals or families who have qualifying children and earn approximately \$37,000 or less, often can receive an Earned Income Tax Credit (EITC). Some low-wage individuals without children are eligible, too. Details are available at www.irs.gov/eitc.
- * Free income tax preparation services for low-income and older adults are offered by volunteer organizations in many communities. Such service sites include Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE) and the AARP Tax-Aide program. Some K-State Research and Extension offices also partner with volunteer tax sites to encourage taxpayers to save refunds and "saved" tax preparation fees to build emergency funds.
- * If due a sizeable refund, meet with your employer's human resources agent to adjust your salary withholding to better match your tax liability for the coming year. Doing so typically increases take-home pay. And, rather than providing the government an interest-free loan by paying excess withholding each month, you can deposit that money in an interest-bearing account.
- * File electronically to speed the process (and possible refund) and reduce paperwork.

More tips on managing money are available at county and district K-State Research and Extension offices and on the Kansas Extension Web site: www.oznet.ksu.edu/financialmanagement/.

Summary of 2008 Financial Management News Briefs by Nancy Peterson compiled for Carol Young, Jan. 7, 2009.