

Don't Pay to Borrow Your Own Money



Pick Filing Options VERY Carefully

With some tax preparers, you end up with less of **YOUR** money. They end up with more of **YOUR** money. Here is what to look for:

Refund Anticipation Loans and Quick Cash Loans

Stay away from rapid refunds, express money or instant refunds. These are **refund anticipation loans**.

What you need to know about these loans:

1. You are borrowing **your own money** at a very high cost. The loans will cost you \$30 to \$90 plus other fees. The interest rate could be from 60% to 700%.
2. What if you don't get the refund or it is smaller than expected? You **still owe the full amount** you "borrowed" for this loan.
3. The loans are usually limited to \$500, \$1,000, \$1,500, etc. Is your refund bigger than that? They **will not loan you all** of your refund.

Refund Anticipation Checks

1. You can **get your refund just as fast** if:
 - You file taxes by computer (electronically) **AND**
 - You use direct deposit from the IRS. With direct deposit, the IRS puts the refund into your bank account.
2. Refund Anticipation Checks and some others say they don't charge interest or financing fees. **BUT** they often add processing or other fees. These **fees can be as much or more** than interest or finance fees.

Refund Down-Payment Offers

Car dealerships, furniture or jewelry stores or payday lenders may offer to do your taxes. They

figure what your refund will be. They let you use this amount to buy things or get an advance. **Don't let them!** You will be agreeing to a **refund anticipation loan**. You will pay high fees for tax preparation, loan and other fees. Often people who prepare tax returns at these places are not very trained or experienced.

Be Patient and Keep More of Your Own Money

If you wait, you will get your refund directly from the IRS. It won't cost you extra. Get **free** tax help from the IRS. **OR** at a VITA (Volunteer Income Tax Assistance) site. For help:

- Call Phone First at **211** or
- Call VITA at **1-800-906-9887** or
- Get location of VITA site at **www.irs.gov** or
- Call AARP Tax Counseling for the Elderly (TCE) at **1-888-227-7669**

Some places can file your tax return by computer. Your refund may be deposited in your bank account in about 10 days.

NOTE: This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. You should contact a lawyer if you need representation on a tax matter or if you have questions.

Tennessee Taxpayer Project

A Low Income Taxpayer Clinic
and a program of Legal Aid Society

1-866-481-3669

It's a free call.



Working Together. Doing Justice. Restoring Hope.

1-800-238-1443

It's a free call.

On the internet at: **www.las.org**

e Taxpayer Clinics do not prepare federal income tax returns. Although this Low Income Taxpayer Clinic program gets funding from the IRS, it is not part of the IRS or Tennessee Department of Revenue. A taxpayer's decision to use services from this Low Income Taxpayer Clinic will not change the taxpayer's rights before the IRS. Most of the time, Low Income