

## Are You Leaving Tax Money On The Table?

### Article Highlights:

- Unclaimed Refunds
- Over-Withholding
- Earned Income Tax Credit
- Child Tax Credit
- American Opportunity Credit (AOTC)
- Premium Tax Credit (PTC)
- Refund Statute of Limitations

Each year the IRS reports about \$1 billion in unclaimed refunds for individuals who did not file a tax return. The IRS estimates that approximately half of the unclaimed refunds are for amounts greater than \$600. You may not have filed, thinking that because you don't itemize and your employer is withholding tax that you don't need to file. But there is a good chance you are leaving money on the table by not filing. Consider the following:

- **Over-Withholding** - Your employer may have withheld more than you owe, as withholding is not an exact science. But you have to file to get the excess back.
- **Earned Income Tax Credit (EITC)** - An EITC is a credit for lower-income taxpayers. If you worked and earned less than \$52,427 last year, you could receive the EITC as a refund if you qualify with or without a child. The credit can be as much \$6,143 and is fully refundable. This is a very lucrative credit, but you have to file to benefit from it.
- **Child Tax Credit** - If you have at least one child under the age of 17 you probably qualify for the Child Tax Credit. Generally this credit is non-refundable (can only be used to reduce taxes owed). However, if you work, your income is low to moderate and you don't use the full credit amount to offset taxes, a portion of the \$1,000 per child credit may be refundable.
- **American Opportunity Tax Credit (AOTC)** - The AOTC is available for four years of post-secondary education expenses and can result in a credit of up to \$2,500 per eligible student enrolled at least half time for at least one academic period during the year. Up to 40% of the credit is refundable, so even if you don't owe any taxes, you may still qualify for the credit. But to claim the credit you must file a return.
- **Premium Tax Credit (PTC)** - If you acquired your health insurance last year through a government marketplace, you probably qualify for an insurance subsidy in the form of the PTC. But you have to file to get the credit. If you received the PTC in advance to reduce your premiums, as did most individuals who used a health insurance marketplace, you must file a tax return and reconcile the advance PTC against the actual PTC.

If you have not filed in the past, the statute of limitations for a refund is 3 years from the unextended due date of the return, so if you have a refund coming for past years you should file before the statute expires. For example, to claim a refund for a 2011 return you will need to file the 2011 return no later than Wednesday, April 15, 2015, or the refund is gone forever.

This firm has expertise in preparing tax returns for all years, including past years, so please contact this office for assistance so you can get the refunds you are entitled to.