

MONEY SMART FOR A HEAD START

Planning for Tax Time



Most adults who earn money need to file a tax return. You may want to avoid filing taxes because you're afraid that you owe money to the Internal Revenue Service (IRS) or the state. But, you may get money back from filing taxes. This is called a tax refund!

Here are a couple of things to keep in mind:

- You must file the 1040 federal form and WI 1 state form to get important tax credits.
- Say "no" to Refund Anticipation Checks (RAC). RACs cost money and don't get you your tax refund sooner.

File Early if You Owe Taxes

- Sometimes, it's easier to wait to do something you don't want to do, but if you owe income taxes, you should pay them by April 15th.
- If you can't pay the full amount, short term extensions and monthly payment plans are available.

Free Ways to File Taxes

You can save money by filing your own taxes instead of paying a tax preparer to file. Filing taxes can be easy because of these programs:

- **Federal Returns** – At www.irs.gov, you can use brand-name software or free fillable forms to file online, or you can print the forms you need to file.

- **State Returns** – You can also file your Wisconsin taxes online or by mail with forms from www.dor.state.wi.us (or your local library). File your federal taxes first because you'll need some of that information for your state tax return.
- **Volunteer Income Tax Assistance (VITA)** – People with low incomes are eligible for free tax preparation by high quality, trained volunteers. VITA sites are located at community centers, libraries, or schools. Call 1-800-906-9887 or go to www.irs.gov and search for VITA to find your closest VITA site.

Depending on your household income, you can file your federal AND state taxes together at www.myfreetaxes.com, a website sponsored by United Way and several national companies. The format makes filing easy!



Free Federal Tax Filing Options for WI Residents

- The IRS Free File program is open to people with an income of \$84,000 or less in 2025. This program offers tax filing software for free. Visit the following website for more information:
<https://apps.irs.gov/app/freeFile/>.
- Wisconsin tax filers who use the IRS Free File program may also use WisTax, Wisconsin's electronic tax filing system, to file state taxes.

Making the Most of Your Refund

- Make a wish list to help you plan to spend your refund. Write down the ways you want to spend your refund and how much it will cost.
- Circle items on your wish list that you need to pay first. If an item costs too much money, cross off circled items one by one until your refund pays for all the items left.

Do you qualify for major tax credits?

If you qualify for tax credits, you must fill out a few extra forms. Tax credits include:

- The Earned Income Credit (IRS Schedule EIC & Wisconsin Form 1). This credit can help you get back some or all of the income tax withheld from your pay during the year.

- The Homestead Credit (WI Schedule H or Schedule H-EZ). This credit can help you get back some of the property taxes and rent you paid during the year.



To \$um it up

- \$ Filing taxes can be a great time to make the most of your money
- \$ Use free tax filing resources available to file your federal and state taxes
- \$ Don't miss out on tax credits to get more money by filling out the correct forms
- \$ A tax refund could be the perfect time to jumpstart your financial goals – start or add to your savings account for emergencies, retirement, or your child's college fund – whatever is most important to you!

Want to Learn More?

- Visit our website for more financial education resources. <https://finances.extension.wisc.edu>
- Contact your local Extension Educator: <https://counties.extension.wisc.edu>
- For help with balancing your monthly spending plan, contact the nonprofit National Foundation for Credit Counseling (NFCC) at <https://www.nfcc.org> or 800.388.2227.