

Money Matters Live: Tax Filing Basics Notes February 2026

Most U.S. residents are expected to file an annual federal income tax return. Even if your income falls below the required filing threshold, submitting a return is often beneficial because you may qualify for refunds or credits. Wisconsin residents must also file a state income tax return.

Internal Revenue Service (IRS) - Administers federal tax laws and provides forms, instructions, and online tools. www.irs.gov

Wisconsin Department of Revenue (DOR) - Oversees Wisconsin state tax laws and state tax filing. www.revenue.wi.gov

You can create online accounts with both agencies to access tax records, view past filings, manage personal tax information, and more.

Filing Tips, Free & Low-Cost Filing Options

Start early: In January, set up a physical or digital folder to collect all tax documents as they arrive. The filing deadline is usually April 15th of the following year.

Choose a filing method that fits your needs and budget:

- Do-it-yourself software: Many people use guided tax software, either paid or free (if eligible).
- Professional preparers: Some people prefer to hire a tax professional.
- Free assistance: Volunteer-based programs including VITA (Volunteer Income Tax Assistance) and AARP Tax-Aide are available for those who qualify in some areas.

IRS Free File / Trusted Partners <https://apps.irs.gov/app/freeFile/general/>

The IRS partners with different tax software companies to offer free federal filing options for people who make \$89,000 or less. Sometimes you can qualify for a free State of WI return at the same time, if not, the State return is usually \$25 or less, when using a Trusted Partner.

GetYourRefund: getyourrefund.org Do-it-yourself or virtually supported options.

In-person, local, volunteer-based preparation programs:

- VITA Site Locator: <https://freetaxassistance.for.irs.gov/s/sitelocator>
- AARP Tax-Aide Locator: <https://www.aarp.org/money/taxes/aarp-taxaide/locations/>

Additional Tax and Financial Education Resource from UW Extension

Guide: ***How to Find a Tax Preparer*** (Updated Jan 2025)

<https://dane.extension.wisc.edu/files/2025/04/How-to-Find-a-Tax-Preparer-updated-Jan-2025.pdf>

[UW Extension Money Matters](#) Online, self paced financial educational modules

[UW Extension Financial Wellness at Work](#) Financial wellness videos, infographics and tools

Key Terms - Understanding a few key terms can help you understand your tax liability, which refers to the amount of tax you owe—or the size of the refund you may receive.

Term	IRS Definition	Plain-Language Meaning	Example
Income	All income from whatever source derived,” including wages, business income, interest, dividends, rents, etc., unless excluded by law.	Any money you earn or receive that the IRS may tax.	Examples: Your paycheck, a bonus, interest from a savings account, and profits from selling items online all count as income.
Where to learn more: Taxable income Internal Revenue Service			
Filing Status	A category that reflects your marital/family situation and determines your tax rates, standard deduction, and eligibility for certain credits.	The label that tells the IRS whether you’re single, married, or supporting dependents.	Example: If you’re unmarried and support a child, you may qualify as Head of Household, which gives you a larger standard deduction than filing Single.
Where to learn more: What is my filing status? Internal Revenue Service			
Standard Deduction	A fixed dollar amount that reduces the amount of taxable income. Amount varies by filing status and may increase for age/blindness.	A flat amount you subtract from your income so you pay tax on a smaller number.	Example: If the standard deduction is \$14,600 and you earned \$50,000, you’re only taxed on \$35,400.
The standard deduction amounts can change each year and are different for each filing status. Where to learn more: Adjustments for 2025 tax year			
Tax Brackets	Ranges of income taxed at different rates in the progressive tax system. Only the income within each bracket is taxed at that bracket’s rate.	Income ranges that determine what percentage of tax you pay on each portion of your income.	Example: If you earn \$60,000, part of your income is taxed at 10%, part at 12%, and part at 22% — not all at 22%.
Where to learn more: https://taxfoundation.org/data/all/federal/2025-tax-brackets/			
Deductions	Amounts that reduce taxable income. Can be standard or itemized.	Expenses or allowances that lower the amount of income the IRS taxes.	Common examples: HSA contributions, pre-tax retirement contributions, student loan interest. If you itemize, you might deduct mortgage interest, state taxes, or charitable donations.

[Credits and deductions for individuals | Internal Revenue Service](#)

Refundable Credits	Credits that can reduce your tax below zero; the IRS pays you the remaining amount as a refund.	Credits that can give you money back even if you owe no tax.	Example: If you owe \$0 in tax but qualify for a \$1,200 Earned Income Tax Credit, you get the full \$1,200 as a refund.
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[Refundable tax credits | Internal Revenue Service](#)

Non-Refundable Credits	Credits that reduce your tax to zero but cannot create a refund. Unused amounts are lost	Credits that lower your tax bill but can't make it go below zero	Example: If you owe \$500 in tax and have a \$2,000 Child Tax Credit (nonrefundable portion), it reduces your tax to \$0, but the extra \$1,500 doesn't come back to you.
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Dependents	A dependent is a qualifying child or relative who relies on you for financial support. To claim a dependent for tax credits or deductions, the dependent must meet specific requirements.	A child or relative that you support that meets certain criteria that usually includes age, relationship, residency, and support.	Examples: Your son is 8 and lives with you. He is your dependent child and so you may qualify for the Dependent Care Credit, Child Tax Credit, Additional Tax Credit, increased likelihood of Earned Income Tax Credit. Your 17-year-old daughter lives with you and qualifies for the Credit for Other Dependents, increased likelihood of EITC. She no longer qualifies for Child Tax Credit or Additional Tax Credit.
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[Dependents | Internal Revenue Service](#)

Tool:

[Whom may I claim as a dependent? | Internal Revenue Service](#)

[Tax benefits eligibility chart for families and individuals](#)



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