

# 10 Million Taxpayers Miss Out on Telephone Tax Refunds; IRS Urges People to Check before Filing

WASHINGTON — The Internal Revenue Service today urged taxpayers to check to see if they qualify for the telephone excise tax refund after more than 10 million early filers did not request the one-time refund.

In the first release of this year's weekly filing season statistics, about 30 percent of all taxpayers did not request the telephone tax refund.

"Many taxpayers are overlooking this special refund and the chance to get a bigger refund," said IRS Commissioner Mark W. Everson. "We encourage taxpayers to spend a few extra minutes reviewing their tax return to make sure they are making an accurate request. A little extra time can mean a bigger refund check."

The government stopped collecting the long-distance excise tax last August after several federal court decisions held that the tax does not apply to long-distance service as it is billed today. Federal officials also authorized a one-time refund of the federal excise tax collected on service billed during the previous 41 months, stretching from the beginning of March 2003 to the end of July 2006. The tax continues to apply to local-only phone service.

To make the refund easier to figure, the government established a standard refund amount, based on personal exemptions, ranging from \$30 to \$60. If taxpayers have phone bills and other records, they can request the actual amount of excise tax paid. Though using the standard amount is optional, it is easy to figure and approximates the eligible amount for most individual taxpayers. Taxpayers only have to fill out one line on their return, and they don't need to present proof to the IRS.

Out of the tax returns filed through Feb. 16, more than 10 million taxpayers did not request the telephone tax refund. And nearly half of those returns — more than 4.8 million — were completed by a tax preparer.

"We are surprised how many tax preparers are overlooking the telephone tax refund," Everson said. "We want all taxpayers entitled to this refund to get it, whether they are using a tax preparer or doing the return themselves."

In other statistics released today, early filings show e-file returns are up nearly 3 percent and e-filed returns prepared on home computers up 7 percent compared to last year. Through Feb. 16, the average refund is \$2,733, nearly \$100 above last year.

For people requesting the telephone tax refund, it adds \$30 to \$60 — or even more — onto a refund. The IRS wants to make it as easy as possible for anyone who paid the tax to get this special refund. If you paid the tax and haven't filed yet, here are some tips to help you figure the refund correctly and get it quickly:

- File electronically. Electronic-filing software flags often overlooked tax breaks and helps you figure them accurately and report them properly. If you use a professional tax preparer, ask that person to e-file your return.
- E-file for free. If your income is \$52,000 or less, use the Free File link on this Web site to connect to a private-sector company offering free e-file services.
- Choose direct deposit. Whether you file electronically or on paper, you can get your refund at least a week sooner by having it deposited directly into your checking or savings account.
- Consider using the standard-refund amount for the telephone-tax refund. Though using the standard amount is optional, it is easy to figure and approximates the eligible amount for most individual taxpayers. You only have to fill out one line on your return, and you don't need to present proof to the IRS. The standard amount, ranging from \$30 to \$60, is based on the number of exemptions you can claim on your return.
- If you paid more than the standard amount, you may figure your refund using the actual amount of tax shown on your phone bills and other records. Base your refund request on the three-percent federal tax paid, not the total phone bill. Do not count tax paid on local-only service. You must have the phone bills or other records adequate to support the amount you are requesting. These documents should not be sent along with the refund request but should be retained in case the IRS questions the amount requested.
- Do not file duplicate requests. If you file a regular income-tax return, do not file Form 1040EZ-T. Designed exclusively for requesting the telephone-tax refund, this simple form is for people who don't need to file a regular income-tax return. If you

want to take advantage of the earned income tax credit for low and moderate income workers, the child tax credit or other tax breaks, file a regular return and include your telephone-tax refund request on that return.

- Stay away from tax preparers who falsely claim that many, if not most, phone customers can get hundreds of dollars or more back under this program.
- Use the Telephone Excise Tax Refund section on the front page of this Web site. Here, you can download forms, find answers to frequently-asked questions and link to participating Free File partners.

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