

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** and **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 called **refund anticipation loans**. You borrow your own money at a very high cost. The loans will cost you \$30 to \$90 on top of other fees. The interest rate could be from 60% to 700%. If your refund is denied or smaller than expected, you still owe the whole amount that you “borrowed” for this loan.

Refund Down-Payment Offers

Don't let car dealerships, furniture or jewelry stores or payday lenders do your taxes to use for purchases or an advance. You will be agreeing to a **refund anticipation loan**. You will pay high tax preparation fees, high loan fees and other fees with these types of offers. Often people who prepare tax returns at these places do not have as much training or experience.

Be Patient and Keep More of Your Own Money

If you wait, you will get your refund directly from the IRS and 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. For seniors, call AARP at 1-888-227-7669. Some places can electronically file your tax return and get your refund deposited in your bank account in about 10 days.

Legal Services Alabama Low Income Tax Clinic

1-866-456-4995 or 1-877-393-2333

It's a free call.