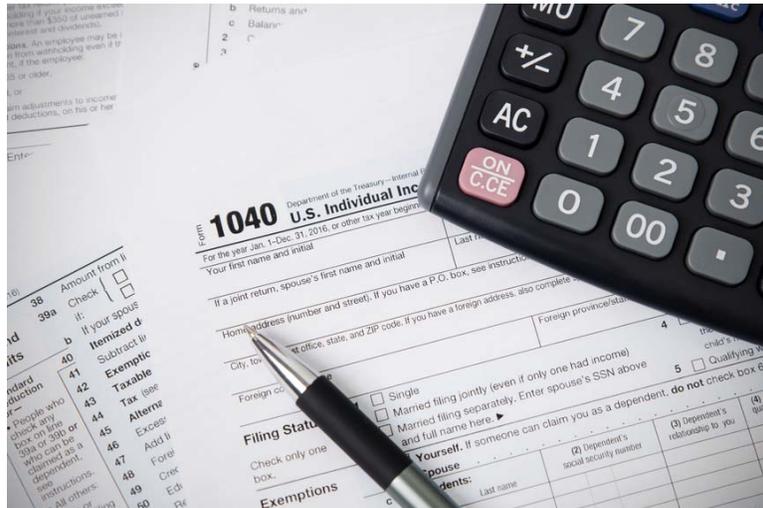


The IRS Has \$1.4 Billion in Old Tax Refunds that Americans 'May Have Overlooked'—Here's How to Tell if Some of it's Yours



The Internal Revenue Service has roughly \$1.4 billion in unclaimed federal income tax refunds that about a million Americans may have overlooked. And time is running out to claim that money.

How to tell if you're owed

So how can you tell if some of those funds belong to you? If you didn't file a 2015 federal income tax return, the IRS said in a recent report, you may be due a check.

"We're trying to connect over a million people with their share of \$1.4 billion in potentially unclaimed refunds for 2015," said IRS Commissioner Charles Rettig.

"Students, part-time workers and many others may have overlooked filing for 2015."

This time last year, there was around \$1.1 billion in unclaimed refunds.

How to claim your money

In cases where a tax return was not filed, most people are allowed a three-year window to claim their refund, the IRS explains. And while there's no penalty for filing a late return if you're owed money, you do have to file by April 15, 2019 in most states to collect it.

Taxpayers in Maine and Massachusetts have until April 17, 2019.

If you haven't filed a 2015 return and meet all the criteria for a refund, "the law requires taxpayers to properly address, mail and ensure the tax return is postmarked by that date," per the IRS report. Current and prior tax forms and instructions are available on the agency's website.

Filers who are missing the required forms "should request copies from their employer, bank or other payer," the IRS says.

And those who are unable to get missing forms from their employer or another payer can order a free wage and income transcript or request a wage and income transcript, which will contain relevant information from previous returns.

A few caveats

If you don't file a return within three years, the money becomes property of the U.S. Treasury. Also, keep in mind that your 2015 refund could be withheld if you haven't filed tax returns for 2016 and 2017.

In addition, the IRS notes, your refund "will be applied to any amounts still owed to the IRS or a state tax agency and may be used to offset unpaid child support or past due federal debts, such as student loans."

In the meantime, the agency will send you several reminders to file, according to financial-software company Intuit's FAQ page. And if you ignore them, "the IRS may file a substitute return on your behalf."

But "while this may sound like a clever way to hand off your tax-prep chores to the government," Intuit warns, "government-prepared returns may not grant every deduction or credit you're entitled to."

For example, "many low- and moderate-income workers may be eligible for the Earned Income Tax Credit," the IRS notes. For 2015, that credit was worth more than \$6,200.

If you haven't filed a 2015 return and owe taxes (as opposed to being owed a refund), you could be subject to the failure-to-file penalty, which could cost 5 percent of your tax bill each month it goes unpaid after the deadline, and potentially a maximum of 25 percent of what you owe.

Eventually, non-filers who owe taxes will be subject to additional penalties and in some cases, even criminal prosecution, says Intuit. "Delinquent taxpayers who owe more than \$25,000 will eventually receive a visit from an IRS representative to collect payment." Though, an IRS agent should never call or email you.

The deadline for filing (and for filing an extension) this year is April 15. Experts suggest filing early: Due to changes in the tax law, some taxpayers could see lower refunds this year and about 30 million could actually owe money to the IRS.

By Shawn Carter