

Free File on IRS Web site

Courtesy of www.irs.gov

Step 1. How to get started: From www.irs.gov/efile/article/0,,id=118986,00.html, the “Free File Home – Your link to Free Online Filing” page, click on the “Start Now” button at the bottom of the page. You will go to an IRS.gov Free File page where you may start your search for a Free File company.

Step 2. Determine your eligibility: You must first determine your eligibility for using a particular company. Each company has a simple description of their eligibility criteria for using their free service. Most of the companies offer free service to military service-members.

Step 3. Link to Free File company service: After choosing a company, click on the company’s name, which sends you directly to the company’s web site (you will be notified you are leaving IRS.gov and being sent to a commercial Web site). You may then begin the preparation of your tax return.

You have two options for selecting a Free File company on IRS.gov:

- Review the complete list of companies and their descriptions of services. Scan the listing of Free File companies on the IRS.gov page after clicking on the “Start Now” button on the Free File Home page. Upon determining eligibility for a free service, you may link directly to the company’s web site by clicking on the company’s name. Upon doing so, you will be notified that you are leaving the IRS.gov web site and entering the company’s web site. You will be located on the company’s web site and you may want to start the process of preparing your federal income tax return. You will also find a description of a company’s service under “more details” on the IRS.gov free file page.

- Alternatively, if you are having trouble choosing a company by scanning the list of Free File companies, you may want to use the interactive help tool, “Guide Me To A Company” to narrow down the possible companies offering free preparation and e-filing for you. Click on the button “Guide Me To A Company” to start searching for the companies that may provide free services for you.

If you are uncertain about your answers for the questions contained, you may want to view the complete list of companies and their services. The accuracy of the results is dependent on the accuracy of the information you provide the “Guide Me To A Company” tool.

Step 4. You may exceed eligibility criteria after selecting a company

You may determine after you start preparing your tax return with a particular company you are not eligible for the company’s Free File service and you may be subject to a fee.

If this notification occurs you have the following options:

- Return back to the IRS’ Free File homepage and review the list of companies and their services and select another company you may qualify for;
- Continue completing your return but take note of the fee displayed on the company’s website; or
- Visit the IRS e-file Partners for Taxpayers web page to view additional low-cost e-file opportunities

For example, if you select a company whose free services are provided to individuals with an Adjusted Gross Income (AGI) of \$26,000 or less and, based on your tax data, the company determines your AGI exceeds the \$26,000 limit, you will be notified you may be subject to a fee. It is important you understand each of the company’s eligibility criteria before selecting a company.

Step 5. Prepare and e-file your Federal Income Tax Return: The company’s software prepares and e-files your income tax returns using proprietary processes and systems. Electronically filed returns are transmitted by the company to the IRS using the established e-file system. An acknowledgment file, notifying you that the return has been either accepted or rejected, is sent via email from the company.

Cannon Tax Center offers free tax preparation

Courtesy of the Cannon Tax Center

The Cannon Tax Center can save Airmen hundreds of dollars in tax preparation fees. The office opens today and appointments and walk-ins are welcome.

When coming in to prepare taxes, Airmen and their families should bring several required documents:

- Active duty/retired/civilian employee ID card;
- Routing number of voided check;
- Social Security cards and birth dates of all taxpayers and dependents;
- All W-2s, 1099s, and investment income paperwork;
- Last year’s tax returns;
- Powers of attorney (if applicable);
- Form 8332 for divorced or separated parents;

Records help document the deductions claimed on a tax return. Customers need this documentation should the IRS later select them to return for examination or audit.

Normally, tax records should be kept for three years, but some documents, such as records relating to a home purchase or sale, stock transactions, IRAs, and business or rental property should be kept longer.

Generally speaking, however, everyone should keep and bring any and all documents that may have an impact on their federal or state tax return, such as:

- bills;
- credit card and other receipts;
- invoices;
- mileage logs;
- canceled, imaged or substitute checks or any other proof of payment;
- any other records to support deductions or credits you claim on your return.

Good record-keeping throughout the year saves time and effort at tax time when organizing and completing a return. If customers come to the Cannon Tax Center to complete their return, the records they have kept will assist Cannon prepar-

Where's My Refund?

Courtesy of www.irs.gov

You filed your tax return and you’re expecting a refund. You have just one question and you want the answer now - Where’s My Refund?

Whether you split your refund among several accounts, opted for direct deposit to one account or asked IRS to mail you a check, you can track your refund through this secure Web site. You can get refund information even if you filed just to request the telephone excise tax refund.

To get to your personal refund information, be ready to enter your:

- Social Security Number (or IRS Individual Taxpayer Identification Number)

Filing status (Single, Married Filing Joint Return, Married Filing Separate Return, Head of Household, or Qualifying Widow(er))

- Exact refund amount shown on your return
- If you don’t receive your refund within 28 days from the original IRS mailing date shown on Where’s My Refund?, you can start a refund trace online.

If Where’s My Refund? shows that IRS was unable to deliver your refund, you can change your address online.

Where’s My Refund? will prompt you when these features are available for your situation.

Okay now, visit the IRS Web site at <https://sa1.www4.irs.gov/irfof/lang/en/irfofgetstatus.jsp>.

ers in quickly and accurately completing a return.

Visit the tax section of the Cannon public Web site at www.cannon.af.mil/library/factsheets/factsheet.asp?id=4960 and the Cannon Intranet accessible on government computers at <https://www2.cannon.af.mil/FW/SA/JA/tax.htm>.

The tax center is located in the Cannon Law Center, Bldg. 60 across from the 27th Fighter Wing headquarters.

To schedule an appointment for this free service, call 784-7304.

Eligibility

- active duty personnel/Reservists/National Guard
- family members
- retirees
- federal civilian employees (not including NAF employees or contractors.)

Office Hours

(During Tax Season)

Appointments are available:

- Mon., Wed. and Fri. 8 a.m. to 4 p.m.
- Tuesday 2 to 4 p.m.
- Thursday 8 a.m. to 1 p.m.

Walk-ins are available for those filing 1040EZ only. (Those filing 1040 or 1040A should make an appointment.) Walk in times are:

- Tuesday 8 a.m. to 1 p.m.
- Thursday 2 p.m. to 4 p.m.

Useful Web sites

State tax forms:

www.taxadmin.org/fta/link/forms.html

Comment on federal forms:

www.irs.gov/formspubs/page/0,,id=10178,00.html

Armed Forces information:

www.irs.gov/newsroom/article/0,,id=97273,00.html

Tax scams:

www.irs.gov/newsroom/article/0,,id=98269,00.html

Tax tips:

www.irs.gov/newsroom/article/0,,id=104608,00.html

IRS Freedom of Information:

www.irs.gov/foia/index.html

Frequently asked tax questions and answers:

www.irs.gov/faqs/index.html



MACH METER FILE GRAPHIC

The Cannon Tax Center opens up today to assist Airmen, government employees and retirees with tax preparation. The tax office is located in the Cannon Law Center, Bldg. 60. To schedule an appointment for this free service, call 784-7304.

Credit available for taxpayers who purchase or lease certain hybrid vehicles in 2006

Courtesy of www.irs.gov.

Taxpayers who purchased or leased any of 44 different models of hybrid vehicles in 2006 may be entitled to a tax credit on their 2006 returns worth as much as \$3,150 for the most fuel-efficient models. The precise amount of the credit depends on the make and model of the vehicle and when the vehicle was purchased. Taxpayers may claim the credit on their 2006 tax returns only if they placed a qualified hybrid vehicle in service in 2006.

The Alternative Motor Vehicle Credit for hybrid vehicles — powered by both an internal combustion engine and a rechargeable battery — was enacted as part of the Energy Policy Act of 2005.

Taxpayers may claim the full amount of the allowable credit only up to the end of the first calendar quarter after the quarter in which the manufacturer records its sale of the 60,000th hybrid vehicle.

Credit Phase-Out Depends on Vehicle Sales

The phase-out period for a manufacturer begins with the second calendar quarter after the calendar quarter in which the manufacturer records its 60,000th sale. For the second and third calendar quarters after the quarter in which the 60,000th vehicle is sold, taxpayers may claim 50 percent of the credit. For the fourth and fifth calendar quarters, taxpayers may claim 25 percent of the credit. For quarters after that fifth quarter, taxpayers may not claim the credit.

The purchase date determines the amount of credit for which a hybrid vehicle is eligible, but the date the vehicle is placed into service determines when the credit can be claimed for the vehicle. Purchasing and ordering a hybrid vehicle is not enough to claim the credit. The vehicle must be placed in service as well.

Used and Leased Vehicles

A consumer that leases a hybrid vehicle is not eligible for the credit. The credit is allowed to the vehicle owner, including the lessor of a vehicle subject to a lease. That means that the lessor (the person who leases the vehicle to the consumer) is the person who can claim a credit for the vehicle.

A credit for a hybrid vehicle can only be claimed by the original purchaser of the vehicle, that is, the purchaser of a new vehicle. The credit does not apply to a used hybrid vehicle.