

Fact Sheet

Module 12: Refund, Amount Due, and Recordkeeping

Taxpayers receive refunds when their total tax payments are greater than the total tax. Taxpayers receive refunds from the government. Taxpayers must pay an amount due to the government when the total tax is greater than their total tax payments. Taxpayers need to keep good records to support all items on their tax returns.

Refunds

When total tax payments are greater than the total tax, taxpayers can

- receive the refund by direct deposit to their bank account.
- receive a split refund dividing their refund, in any proportion they want, and direct deposit the funds in up to three different bank accounts.
- receive the refund by check in the mail.
- apply the refund to the estimated tax for the following year.

Taxpayers can also:

- Request a deposit of their refund to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds.
- Use their refund to buy up to \$5,000 in U.S. Series I Savings Bonds.
- Use their refund to begin a savings program and to plan for retirement.

Amounts Due

When the total tax is greater than the total tax payments, the taxpayer can

- pay by check or money order.
- pay by credit card.
- pay by direct debit from their bank account (only available for returns that are electronically filed).

Taxpayers who cannot make payment in full need to contact the IRS.

Recordkeeping

It is important that taxpayers keep good records to

- identify sources of income.
- keep track of expenses.
- prepare tax returns quickly and accurately.
- support items reported on tax returns.

Taxpayers need to keep tax-related documents for at least three years.