

Tax Refunds

The federal tax laws are changed by Congress and implemented by the U.S. Department of the Treasury. The Treasury and the Internal Revenue Service (IRS) interpret the laws and publish official tax guidance. As portions of these laws can change every year, it is important to have a good accountant or research the changes. You need to know how the changes affect you.

While tax laws are indeed complex, there are systems in place to make navigating tax time a bit easier. First and foremost is your employer's obligation to withhold a portion of your income to be put towards your tax burden later. An excess of these holding over your tax burden will result in the ever so sweet tax refund.

To help guide you, the IRS has a [Tax Withholding Estimator](#) to give you an idea of the federal income tax that may need to be withheld from you. This estimator will show you the different withholding amounts based on how you file your tax return, i.e., single, married filing jointly, head of household...etc. Using this estimator and talking with a certified accountant will help you make the best decision for your situation and if you need to change your W-4 with your employer. The W-4 form tells your employer and the federal government how much income should be withheld from your pay to go towards your federal taxes.

With yearly changes to tax laws, it is hard to prepare and know exactly what you may receive as a refund. However, you should have a plan on what to do with your refund when you get it.

Good ideas for your tax refund.

- Pay off outstanding debt.
- Land tax payment - pay Winter and save some for the Summer tax.
- Save!
- Start or increase your emergency savings fund.
- Fill your pantry with non-perishable items.
- Take a small percentage for wants...help boost your spirit.

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