

The Post Rock Connection
Post Rock Extension District #1 Family and Consumer Sciences Column
Month of April 2023
By Brenda Langdon, Family Resource Management Agent

Tax Time Planning

For some taxpayers, income tax season is a time to look forward to an anticipated windfall. For others, it's the sign of a big bill coming due. Whether you are expecting a refund from the IRS or will owe money, you should have a plan ahead of this year's April 18 filing deadline.

If you're getting a tax refund, one thing to think about is what to do with the money, and another thing to think about is that it's essentially a loan that you've given to the government to use until you get it back.

Consumers should plan for how to use the extra boost of cash, which may include paying off outstanding debt, catching up on bills, boosting savings accounts, or having a little fun. While it's great to have it come back by direct deposit to a savings or checking account, that also makes it easy to just spend it away. That makes having a plan even more important.

Let's say you're getting \$1,000 back. If you put 30% toward paying outstanding debt or bills, that's \$300, if you put 40% toward your needs and wants that's another \$400, and then you can put 30% to establish or build up your savings, that would be \$300.

Taxpayers who receive a large refund may want to re-think their income withholding options. Rather than letting the government keep your money for most of the year, consider keeping a little more of that money for yourself on each paycheck.

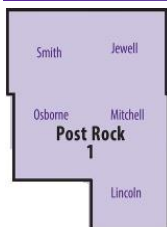
For those who anticipate owing money to the IRS, it is suggested to complete your return early. The earlier that you can know how much you actually owe, the sooner you can figure out what your situation is.

Then, you can make plans for paying back that money. You don't need to file or pay the money until the deadline, so you will have some time to plan ahead.

Free tax help is available across Kansas and the U.S. through the Volunteer Income Tax Assistance program. From the IRS website, search for free tax help and enter your zip code to find free help in your area.

Whether getting a refund or paying now, we all have to pay our tax obligation. So, the earlier you can complete your return, the better so that you can begin to plan for how you will use the return or how you will accumulate the funds to pay for what you owe.

The Post Rock District of K-State Research and Extension serves Jewell, Lincoln, Mitchell, Osborne, and Smith Counties. Contact Brenda at bklangdon@ksu.edu or by calling 785-346-2521. Stay connected with "Post Rock Extension" on Facebook, Twitter, Instagram, and YouTube. Our website is www.postrock.ksu.edu.



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