

What to Do with Your Tax Refund

Approximately 11.4 million Americans received a tax refund in 2019. Rather than pocketing the extra cash, here are some productive ways to put that money to work.



Stock Your Rainy Day Fund

Keep the money in your emergency fund to anticipate unexpected issues like job loss, health problems or home/car repairs.



Invest

Consult with a finance professional to learn your options should you want to invest in mutual funds or stocks. Thinking of investing in real estate? Put the money toward a down payment!



Chip Away at Debt

Cut down on student loans or credit card debt — especially those with high interest rates.



Work on the Mortgage

Consider pre-paying part of your mortgage — a little extra payment goes a long way.



Contribute to Retirement

Think about opening a traditional or Roth IRA and leaving the money there. These assets will build over time and set you up for your golden years.



Support a Cause

Use the extra money to donate to a great cause! Charitable contributions are often tax deductible, which could also help you in the next tax year.



Renovate Your Home

Been desperately wanting to upgrade your kitchen or bathroom? Your tax refund can kickstart the project — and help you boost your home value when you're ready to sell.



Focus on Personal Development

Invest in yourself! Take a course to improve your skills or attend a personal growth event. If you need recommendations, call me. I know the perfect event!

What To Do if You Owe

Don't panic! Here are tips to help if you owe.

- ✓ **Set up a profile on the Electronic Federal Tax Payment System (EFTPS)** to schedule your payment.
- ✓ **You can request a six-month extension** to review your return. Pay your taxes by the original deadline to avoid penalties; however, if you find you paid too much, the IRS will refund the difference.
- ✓ **Can't pay in full now?** Look into available payment plans through the IRS:
 - **Short-term plan:** 120 days or less, free to apply, can autopay or use a credit card. Eligible if you owe \$100,000 or less in combined tax, penalties and interest.
 - **Long-term plan:** 120 days or more, application fee required which varies depending on payment method. Eligible if you owe \$50,000 or less in combined tax, penalties and interest.
- ✓ **Take note of why you owe.** You may need to adjust your withholdings for the next tax year.

Need a tax professional to keep everything straight this tax season? Call me for a great referral!