

# 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!**