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Can You Get Your Tax Refund any Faster?

Many tax preparers make claims that they can get you your tax refund in double quick time, some even boasting a 24 hour refund. But how far-fetched are such claims? And are tax preparers really able to get around the IRS refund procedures to obtain your refund in a shorter time? Or maybe the IRS has a fast-track program that can get you your refund in 24 hours?

As a taxpayer, you should be on your guard against any over-the-top claims of super fast tax refunds. The fact is the IRS does not have any special fast-track program for you to short circuit their standard procedures. Neither can a tax preparer achieve this for you.

But you may come across tax preparers making claims they can give you immediate refunds or have known of friends who have received such quick refunds. Actually, what these tax preparers offer is not the actual refund you would get from the IRS, but a Refund Anticipation Loan or RAL.

The truth is the actual refund from the IRS takes a number of weeks to obtain depending on how you filed your tax returns. If you filed your returns electronically, you can expect your return in about 3 weeks. On the

other hand, if you submitted your tax returns by post, it can take up to 8 weeks. If you have amended a previous year's tax returns to claim a refund, the time taken for it would be between 8 to 12 weeks.

If you add the option to have your refund directly deposited then you would likely receive your refunds a week earlier than these timeframes whereas e-filed returns with direct deposits can even be received in as little as 10 days.

Anything that is received any earlier than these timeframes is an RAL. An RAL is a loan that the tax preparer extends to you that is not above the sum of your refund. In return, your tax refund goes to them. But you must remember that should your refund be withheld by the IRS for any reason, or used to offset to another debt you owe to the government, then you not only will owe the tax preparer company what you borrowed, but you also may still owe the IRS or your state.

Another problem with RALs is that they come at high interest rates. If your income is higher than a certain threshold, you can still e-file through the IRS web site for a small fee. Every year, the IRS partners with reputable dot com companies for free tax preparation and filing through the IRS web site.

So if you do apply for an RAL, make sure you completely understand the terms of the loan. Find out if they offer any guarantee and what happens if the IRS withholds your refund. For example, will there be a penalty or interest if your refund is delayed.