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C O U N S E L L O R S A T L A W

Hold your Horses on Filing those Income Tax Returns

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Are you an early filer? You know the one. You get all your tax papers by February 3, you file on-line by February 4, and get your refund deposited by February 11? Well, if you itemize, that quick time-line won't be happening this year. Steven A. Loeb, Esq. of our Tax, Trust & Estates, and Elder Law Department brought to my attention that due to the tax compromise legislation, the IRS needs to reprogram its computers. USA Today reports:

The delay is necessary because the IRS needs time to program its systems to accommodate tax breaks included in a compromise tax bill President Obama signed last week. The delay means millions of taxpayers will have to wait longer to get their refunds next year. Taxpayers who will have to wait until mid- to late February to file include:

- **Taxpayers who claim itemized deductions on Schedule A.** Itemized deductions include mortgage interest, charitable deductions, medical and dental expenses, state and local taxes.
- **Taxpayers who claim a deduction for tuition and fees.** This is a so-called "above-the-line" deduction, which means taxpayers don't have to itemize to claim it.

Parents and students who claim other education credits, including the American Opportunity Tax Credit and Lifetime Learning Credit, will not have to wait to file, the IRS said, assuming they don't itemize.

- **Taxpayers who claim the educator expense deduction.** This deduction, which is also an above-the-line deduction, allows teachers to deduct up to \$250 in out-of-pocket costs for classroom materials.

So for all of us who pay a mortgage, plus others who itemize, we will have to wait to file, which means those refunds will be coming a little later this year.

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