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## IRS e-file: Electronic filing

*IRS e-file is a quick, easy, smart way to get your taxes where you want them to be — Done!*

- **68.5 million** returns were e-filed in 2005, an 11 percent increase over 2004.
- **Taxpayers can get their refunds in half the time** of filing a paper tax return and receiving a refund check, even faster with Direct Deposit. Refunds from mailed paper returns can take up to six weeks. Plus, e-filers get an acknowledgment that the IRS received their returns.
- **Accurate:** IRS computers check for errors or other missing information quickly and automatically, making e-filed returns more accurate and reducing the chance of getting an error letter from the IRS.
- **Easy payment options:** E-filers with a balance due can schedule a safe and convenient electronic funds withdrawal from their bank account, pay with a credit card or enroll in the Electronic Federal Tax Payment System to make subsequent payments by phone or Internet.
- **93 million** taxpayers will be eligible to file for free through IRS Free File. An online service available through **IRS.gov**, Free File allows taxpayers to prepare and electronically file their individual federal income tax return using commercial software for free. More than 5 million people used Free File in 2005.

## Taxpayer Advocate Service

The Taxpayer Advocate Service is an independent organization within the IRS dedicated to helping taxpayers resolve their problems. Taxpayers who are unable to resolve a tax problem, experience delays or face economic harm due to IRS actions may qualify for the free assistance of the Taxpayer Advocate Service. Taxpayer Advocates can clear up problems resulting from previous contacts and ensure cases are given a complete and impartial review. Taxpayers can quickly access the Taxpayer Advocate Service by calling its toll-free number, **877.777.4778 (TTY/TDD 800-829.4059)**. Taxpayers can also call or write their Local Taxpayer Advocate. Taxpayers can find the address and phone number of the Local Taxpayer Advocate in their local telephone directory, in Publication 1546, *How to Get Help with Unresolved Tax Problems*, or online at **www.IRS.gov/advocate/**.

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# IRS tax info for your constituents

## Tax help online or by phone

A wide menu of assistance options are available at **IRS.gov** or by calling one of the IRS toll-free telephone numbers:

- Forms and Publications: **800.829.3676**
- TeleTax (recorded tax information): **800.829.4477**
- Where's My Refund online: **www.irs.gov**
- Automated refund information: **800.829.4477**
- Refund Hotline: **800.829.1954**
- Tax Help Line for individuals: **800.829.1040** (also available in Spanish)

**IRS.gov** should be your first stop for tax help. Get forms, publications, information and answers to frequently asked questions, too. Click on *1040 Central* and find information to help file federal tax returns.

Free tax return preparation is available for qualified taxpayers through the IRS Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs in most communities. Volunteers help prepare basic tax returns for individuals who have low to moderate income. Some sites offer electronic filing without charge.

- Call **800.829.1040** to find the nearest VITA or TCE sites or call AARP at **888.AARP.NOW (888.227.7669)** for the nearest Tax Aide site. AARP is the largest TCE participant.

## Redesigned IRS.gov

The IRS Web site was redesigned to make it easier for taxpayers to navigate and find the information they need to file and pay their taxes. Improvements include a fresh look, enhanced search capabilities and easy access to tools. You can search by *key word* or *search term* and have easy access to advanced search options and search tips. A new row of navigation buttons takes taxpayers and tax professionals directly to key pages. Frequently used items are featured in our *Online Tools* section. Taxpayers quickly and easily can check the status of their refund with *Where's My Refund?*, find out if they are eligible for Earned Income Tax Credit by using the *EITC Assistant*, and qualified taxpayers can prepare and file their returns using Free File. **IRS.gov** also offers tax guidance to victims of natural disasters, including tax relief guidelines for victims of hurricanes.

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## Major tax law changes for 2005

- **Tax Relief for Hurricane Victims:** Special tax relief and assistance is available to hurricane victims and those assisting them. This relief includes special rules for figuring casualty loss deductions, the Earned Income Tax Credit and additional Child Tax Credit. Hurricane victims who need help with tax matters can call **866.562.5227**, visit the special section for disaster victims on **IRS.gov** or see Pub. 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma*.
- **Uniform Definition of a Qualifying Child:** The Working Families Tax Relief Act of 2004 set a uniform definition of a qualifying child, beginning for Tax Year 2005. This standard definition applies to several tax benefits, such as head of household filing status, the exemption for a dependent, the Child Tax Credit, credit for Child and Dependent Care expenses and the Earned Income Tax Credit. Prior to 2005, each of these items defined a qualifying child differently, leaving some taxpayers confused.
- **Standard Mileage Rate:** The deductible rate for each business mile is 40.5 cents per mile for 2005 (48.5 after Aug. 31). Other rates apply for other uses of a taxpayer's car.
- **Charitable Contributions:** If a taxpayer donates a car to a qualified organization in 2005, the deduction is generally limited to the gross proceeds from its sale by the organization. This rule generally applies if the claimed value of the donated vehicle is more than \$500. Generally, if the organization makes significant intervening use of or makes significant improvements to the car, the taxpayer can deduct its fair market value. The charitable organization should provide the donor a Form 1098-C showing the amount to deduct.

## Tax Law Enforcement

In fairness to the vast majority of taxpayers who file and pay their taxes, the IRS takes its enforcement responsibilities seriously. We continue to focus on abusive tax shelters sometimes used by businesses and high-income individuals; abuse by a limited number of attorneys, accountants and tax practitioners; domestic and offshore criminal activity and misuse of tax-exempt entities. IRS enforcement activity and results continue to grow.

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## Earned Income Tax Credit (EITC)

It's easier than ever for taxpayers to find out if they qualify for EITC. Taxpayers can find out if they're eligible for the EITC by answering some questions and providing basic income information using the *EITC Assistant*, a Web-based tool (available in Spanish and English) that helps figure EITC. For more information, check **www.irs.gov/eitc** or get Publication 596, *Earned Income Credit*.

Members of the military can elect to have their nontaxable combat pay included in earned income for the EITC. Taxpayers who lived in the Hurricane Katrina core disaster area on Aug. 25, 2005, and whose earned income for 2005 is less than their earned income in 2004, can choose to figure their 2005 EITC using their 2004 earned income. (*Late legislation extends EITC relief to victims of Hurricanes Rita and Wilma, as well.*)

The advance EITC allows certain taxpayers to receive their EITC in installments throughout the year, instead of a lump sum during the following filing season. Those who expect to qualify for advance EITC can register beginning in January each year and the credit will be equally dispersed in each paycheck throughout the year.

Further details regarding advance EITC can be found at **www.irs.gov/eitc** or in Publication 596, *Earned Income Credit*.

## Special benefits for members of the military

Forms W-2 for members of the military will show if their pay is subject to the Combat Zone Exclusion. Members of the military, including those currently in a Combat Zone, may have extended due dates and other special tax benefits available to them under the tax laws. Go to **IRS.gov** for more information.

## Future Plans: Taxpayer Assistance Blueprint

The IRS is conducting a large-scale study that will affect the way we do business with our primary customers — individual taxpayers. The plan, called the Taxpayer Assistance Blueprint, will help us gain a deeper understanding of our customers — their locations, how they access our services, what services they use and prefer and if our services truly meet their needs. The report is due to Congress near the end of this filing season.

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