

The Benefits of E-Filing Your Tax Return

There are good reasons for beginning to electronically-file (or e-file) your tax returns. Here are three ways that e-filing is preferable to paper filing:

1. **Security:** Allowing mail-carriers and third-party handlers to come into contact with your tax return is no safer than transmitting data over the internet. When your return is e-filed, it is encrypted and transmitted via trusted, secure channels. The time it takes an e-filed return to leave our office and reach the IRS is at most 24 hours. This compares to the days it takes to get a paper-filed return signed out the door and to the IRS, allowing more time for mistaken processing or tampering.
2. **Speed & Accuracy:** As previously stated, the speed with which your electronically-filed return is sent to the IRS and accepted into their system far surpasses that of traditional mail processing. Once your electronic return reaches the IRS, there is a confirmation of acceptance issued, which is very helpful for proof of filing. Next, their system can check for discrepancies and inaccuracies and notify us quickly in order to (again, quickly) fix the problem. Ultimately, E-filing means getting your return to the IRS and processed in 24-48 hours, on average, and receiving notice during critical points throughout the process.
3. **Quicker Refunds with Direct Deposit:** All that aforementioned speed means, should you receive a refund, the money can be in your pocket within two weeks as opposed to as many as six! (Keep in mind, the later you wait to file, even when e-filing, the longer it takes to get your refund. However, the new "Where's My Refund?" feature on the IRS' website is a nifty tool to check on its status anytime.) Make sure to include your direct deposit banking information for even quicker retrieval of your funds and to avoid delivery of a pesky Treasury check.

Keep in mind, there are certain limitations for who is eligible to e-file. These include people who are:

- Married, but filing a separate return, and you live in a community property state (AZ, CA, ID, LA, NV, NM, TX, WA, or WI),
- Claiming a dependent who has already been claimed by someone else,
- Submitting a tax form that cannot be electronically filed (such as a multiple support agreement),
- Filing before e-file begins (January 15) or after e-file ends (October 15).

Hopefully these points have given those of you holding out on e-filing your returns something to think about and consider for the upcoming tax year, or this year if you have yet to file!

Links for information on the perks of e-filing:

<http://taxes.about.com/od/preparingyourtaxes/a/paperorefile.htm>

<http://voices.yahoo.com/the-benefits-efiling-taxes-194077.html?cat=15>