

# INCOME TAX

Taxes are a simple fact of life. Individuals who keep careful records may find that the process of filing an income tax return is less burdensome than they expected.

## **TAXATION GENERALLY**

The U.S. Constitution specifically gives Congress the power to levy and collect taxes, including personal income tax. The Internal Revenue Service (IRS) is the government agency responsible for enforcement of the federal tax laws passed by Congress.

The State of California also collects personal income tax, though not every state does. The Franchise Tax Board collects income tax on behalf of the State of California.

Tax revenue is used to pay for benefits that people rely upon on a daily basis. Law enforcement, emergency services, road and highway maintenance, libraries, social programs, and other government services are all funded using tax revenue.

## **PREPARING TO FILE A RETURN**

Individuals generally need to file their income tax returns for a given year by April 15<sup>th</sup> of the following year. Throughout the year, you should keep all tax-related documents that you receive together in a secure location. Gather and organize any and all such documents before you complete your return or take it to a tax professional for completion. Common tax-related documents include W-2's, 1099's, 1098-T's, and any documents regarding child and dependent care expenses.

## **PAYMENTS AND REFUNDS**

After you complete your return, you may have to pay taxes, or you may receive a refund, or neither. You will owe tax if you have paid less than the amount required based on your income and expenses during the year. You will receive a refund if you paid taxes in excess of the amount required based on your income and expenses during the year. You will neither owe tax nor receive a refund if you paid the proper amount of tax plus or minus 99 cents during the year.

## **Getting Help**

### ***Federal Taxes***

Internal Revenue Service (IRS), 800.829.1040 or  
<http://www.irs.gov>

### ***California State Taxes***

California Franchise Tax Board (FTB), 800.338.0505 or  
<http://www.ftb.ca.gov>

### ***Other States' Taxes***

This IRS website includes links to state agencies with responsibilities related to taxation.  
<http://www.irs.gov>