

Taxes

Overview

For some people with disabilities who work or go back to work, paying taxes is not the first thing that comes to mind. Depending on a person's income and disability, he or she may not have to pay taxes, but it is important to file a tax return.

What Do You Really Need to Know About Taxes in Your Work?

- People who work must file a federal income tax return. South Dakota does not have a state income tax.
- The Internal Revenue Service (IRS) (www.irs.gov) is the federal tax agency.

Federal Income Taxes

People with disabilities may qualify for special tax deductions, income exclusions and credits. This means you may pay less tax or maybe no tax.

IRS Publication 3966, "Living and Working with Disabilities", provides basic tax information on deductions available for qualifying taxpayers with disabilities and for parents of children with disabilities.

IRS Publication 907, "Tax Highlights for Persons with Disabilities", provides more in-depth information on deductions, credits, pensions and retirement.

If a person's earnings are low, they could be eligible for the Earned Income Tax Credit. Even if they pay no taxes, they may still get money back. Publication 596, "Earned Income Credit (EITC)" explains this credit.

Other helpful IRS publications include:

- Publication 502, "Medical and Dental Expenses"
- Publication 524, "Credit for the Elderly of the Disabled"
- Publication 503, "Child Dependent Tax Credit"

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All IRS materials are available at: <http://www.irs.gov/app/picklist/list/publicationsNoticesPdf.html>. If you have questions about these credits or benefits, call 1-800-829-1040. If you use a TTY/TDD, call 1-800-829-4059 to order materials and to ask tax questions.

Free Tax Help

The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people low-to moderate-income (generally, \$42,000 and below), who cannot prepare their own tax returns. Certified volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing. To locate the nearest VITA site, call 1-800-829-1040.

Items you need to bring with you to receive this free service are:

- Photo identification.
- Social Security Cards and birthdates for you, your spouse and dependents.
- Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers.
- Interest and dividend statements from banks (Forms 1099).
- A copy of last year's Federal and State returns if available.
- Bank Routing Numbers and Account Numbers for Direct Deposit.
- Total paid for day care provider and the day care provider's tax identifying number (the provider's Social Security Number or the provider's business Employer Identification Number).
- To file taxes electronically on a married filing joint tax return, both spouses must be present to sign the required forms.