

Legal Services of Greater Miami, Inc.

Main Office

3000 Biscayne Blvd., Suite 500
Miami, FL 33137
(305) 576-0080

South Dade Law Center

11285 S.W. 211 Street, Suite 302
Miami, FL 33189
(305) 576-0080

Walk-In Hours

Monday-Thursday
9:00 a.m. - 12:00 p.m.

Phone Intake

Monday-Thursday
1:30 p.m. - 4:00 p.m.

Legal Services of the Florida Keys

11285 S.W. 211 Street, Suite 302
Miami, FL 33189
Telephone (877) 715-7464
TDD (877) 715-7461

NOTE: This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. You should contact a lawyer if you need representation on a tax matter or if you have questions.

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**Legal Services
of Greater Miami, Inc.**

Vision Statement

We are passionately committed to Equal Justice. Through aggressive advocacy and innovative collaboration with our community partners, we strive to empower our clients and alleviate the hardships of poverty.



www.lsgmi.org

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of Greater Miami, Inc.**

COMMUNITY TAX CLINIC



**MYTHS ABOUT INCOME TAX
RETURNS, REFUNDS AND
DEPENDENT EXEMPTIONS IN
THE HAITIAN COMMUNITY**

This project was supported by a grant from the Internal Revenue Service (IRS).

What is a myth?

A myth is a story or an idea that is not true and is not based on fact.

This brochure is written to clear up untruths about income tax returns, refunds and claims for dependent exemptions in the Haitian Community.

What is income tax?

Income tax is money you pay to the federal government based on how much you earn. The federal government uses this money to pay for schools, roads, government benefits and many other government programs and agencies.

What is an income tax return?

Your income tax return is the government form you file each year to report your income and determine how much you paid or should pay in taxes. You file this with the Internal Revenue Service (IRS) by April 15th of every year. By signing and submitting the return to the IRS, you certify that the information is accurate and correct.

What is an income tax refund?

An income tax refund is a refund paid to individuals who overpay taxes based on certain exemptions and deductions claimed in their return.

In the Haitian Community, many people rely on unscrupulous tax preparers to fill out income tax returns to get the biggest income tax refund possible. It is important that we are truthful on the returns, understand the forms signed, pay our fair share of taxes for services we all benefit from and only receive what we are entitled to receive from the federal government.

MYTH: I can shop around for a tax preparer who can guarantee me the largest possible refund.

FACT: The amount of tax you owe is based on the rules made by the IRS. A good tax return preparer will know and understand all of the rules for filing your tax return. The IRS allows for certain exemptions and credit for workers and sets the requirements. When you file your return, you may find that you either owe more taxes or that you may be entitled to a refund.

Your tax preparer should ask you for proof all the claims you make on your tax return to ensure that what you owe or the refund you may get is correct. The rules for the amount you owe or the refund you may receive are strict and not negotiable. Remember to keep proof of those claims on your returns such as receipts, invoices and statements.

MYTH: My tax preparer fills out the forms for me and is a professional. If I get audited and have to pay back, I do not have to worry because I relied on a professional.

FACT: Even though you hire a tax professional to fill out the forms, he/she fills out the forms based on the information you provide. You are also required to sign the forms. By signing, you are certifying the information is true and correct and therefore you are responsible for any mistakes resulting from that return.

MYTH: If I do a "rapid refund" or get a "rapid anticipation loan" from my tax preparer, I will get more money in a refund and I will get my money quicker.

FACT: "Rapid refunds" take days to process, you pay additional fees to the tax preparer to process the refund and the refund is actually a loan from the tax preparer. The government then sends your full refund to the tax preparer. If the government sends you the refund directly, it takes only about 2 - 4 weeks and you do not have

to pay additional fees. A bad tax preparer may create MYTH claims for a large refund for you but only to give you a larger loan and increase his charges. You will be responsible to pay back the loan and any overpayment in a refund by the government.

MYTH: I can claim any child if the parent of the child permits me to claim the child.

FACT: There are different credits or exemptions related to children; the Child Tax Credit, Dependent Exemption, Child Care Credit and the Earned Income Tax Credit. Each have different requirements. Before claiming any of these, your tax preparer should ask you questions to verify your eligibility for each. Generally, the children you claim must have lived with you for more than ½ the year and you must have paid for more than ½ of their expenses.

MYTH: I need a Social Security Number (SSN) to file an income tax return.

FACT: You do not need a SSN to file a tax return. You can get an Individual Taxpayer Identification Number (ITIN) if you are not eligible for a SSN. You can apply with the Internal Revenue Service (IRS) and it is for tax use only. The ITIN does not affect your immigration status or your right to be legally employed in the U.S.

MYTH: The only way to get competent help to prepare my tax returns is to hire a tax preparer.

FACT: For free help preparing your tax return, contact a Volunteer Income Tax Assistance (VITA) site near you by calling 1-800-906-9887 or visiting www.irs.gov. Volunteers are trained and certified by the IRS to prepare returns during tax season. If you need assistance with tax preparation beyond the tax season, contact the Prosperity Campaign at 2-1-1-. For free legal help with a tax matter (not tax preparation related), contact Legal Services of Greater Miami, Inc.