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North Carolina Low-Income Taxpayer Clinic

Reminders for Tax Season

This presentation is for informational purposes only. It is not meant to provide legal or tax advice specific to the facts of your situation.

Winter Community Tax Talks

Tax Topics for Immigrants

January 16, 2025, at 6 pm

In this session, we'll cover topics relevant to immigrant taxpayers, including:

- ITINs vs. SSNs and how to merge the two
- Eligibility for tax credits

Rewatch our November Talk on *Self-Employment Basics* by visiting our Facebook page:

www.facebook.com/CLTLegalAdvocacy/

The North Carolina Low-Income Taxpayer Clinic (Tax Clinic) provides low-income North Carolina taxpayers with free* representation in federal and state tax controversies and educates individuals about their rights and responsibilities as U.S. taxpayers. Our attorneys are dedicated to helping taxpayers understand and manage their tax issues, regardless of language barriers. The Tax Clinic is part of Charlotte Center for Legal Advocacy, a non-profit law firm located in Charlotte, NC dedicated to pursuing justice for those in need.

Cases We Work

Collection issues, including Offers-in-Compromise, installment agreements and

Currently-Not-Collectible status

Examination, including audit reconsideration

Earned Income Tax Credit

Innocent and injured spouse claims

Appeals

Liens

Levies

Tax Court litigation

Identity theft

Cancellation of debt

Employment classification

Tax Season 2025

- Tax filing season begins in late January of each year.
- **April 15, 2025**, is the deadline to:
 - **FILE** your 2024 tax returns,
 - **PAY** any tax due for 2024, and
 - **PAY** your first quarterly estimated tax payment for TY 2025 (if you are self-employed)
- The IRS estimates refunds for e-filed returns will be issued within 21 days of receipt.
 - Processing times vary for returns with errors or those that require special handling.
 - Longer processing times for paper filed returns.



New for Tax Season 2025

- Filing thresholds and the standard deduction for tax year 2024 have increased.
- The IRS will publish the 2024 filing requirements chart and standard deduction chart later this year.
- See IRS Publication 501 for details about who must file, who should file, filing status, standard deduction, dependents, and more: <https://www.irs.gov/forms-pubs/about-publication-501>

How to Prepare for Tax Season

- **Gather your tax documents**, including but not limited to:
 - **Income statements** (Forms W-2, 1099-NEC, 1099-G, SSA-1099, 1099-K, 1099-INT, 1099-C, 1099-R, etc.)
 - **Form 1095-A**, if you had Marketplace coverage in 2024
 - **IP PIN** (IRS Notice CP01A)
 - **Gambling records** (Form W-2G, diary of gambling activities, etc.)
 - **Business records** (receipts, other documentation for expenses, profit & loss statements, etc.)
 - **Documentation for itemized deductions** (ex. mortgage interest statement, receipts for charitable donations, education expenses, etc.)
 - Copy of your **2023 tax return**

How to Prepare for Tax Season

- Check the status of your Individual Taxpayer Identification Number (ITIN), if applicable.
- An ITIN expires if it has not been included on a U.S. tax return at least once in the last three tax years.
- ITINs not included on a U.S. tax return at least once for tax years 2021, 2022, or 2023, will expire on **December 31, 2024**.
- If expired, renew your ITIN before tax season begins.
- If you don't have an ITIN, but need one, apply for an ITIN before tax season begins.

Form W-7
(Rev. August 2019)
Department of the Treasury
Internal Revenue Service

Application for IRS Individual Taxpayer Identification Number
► For use by individuals who are not U.S. citizens or permanent residents.
► See separate instructions.

OMB No. 1545-0074

An IRS individual taxpayer identification number (ITIN) is for U.S. federal tax purposes only.

Before you begin:
• **Don't submit** this form if you have, or are eligible to get, a U.S. social security number (SSN).

Application type (check one box):
 Apply for a new ITIN
 Renew an existing ITIN

Reason you're submitting Form W-7. Read the instructions for the box you check. **Caution:** If you check box **b, c, d, e, f,** or **g,** you must file a U.S. federal tax return with Form W-7 unless you meet one of the exceptions (see instructions).

a Nonresident alien required to get an ITIN to claim tax treaty benefit
 b Nonresident alien filing a U.S. federal tax return
 c U.S. resident alien (based on days present in the United States) filing a U.S. federal tax return
 d Dependent of U.S. citizen/resident alien } If **d**, enter relationship to U.S. citizen/resident alien (see instructions) ► _____
 e Spouse of U.S. citizen/resident alien } If **d** or **e**, enter name and SSN/ITIN of U.S. citizen/resident alien (see instructions) ► _____
 f Nonresident alien student, professor, or researcher filing a U.S. federal tax return or claiming an exception
 g Dependent/spouse of a nonresident alien holding a U.S. visa
 h Other (see instructions) ► _____

Additional information for **a** and **f**: Enter treaty country ► _____ and treaty article number ► _____

Name (see instructions) Name at birth if different . . . ►	1a First name	Middle name	Last name
	1b First name	Middle name	Last name

Applicant's Mailing Address
2 Street address, apartment number, or rural route number. **If you have a P.O. box, see separate instructions.**
 City or town, state or province, and country. Include ZIP code or postal code where appropriate.

Foreign (non-U.S.) Address
3 Street address, apartment number, or rural route number. **Don't use a P.O. box number.**
 City or town, state or province, and country. Include postal code where appropriate.

Birth Information	4 Date of birth (month / day / year)	Country of birth	City and state or province (optional)	5 <input type="checkbox"/> Male <input type="checkbox"/> Female
	6a Country(ies) of citizenship	6b Foreign tax I.D. number (if any)	6c Type of U.S. visa (if any), number, and expiration date	

Other Information
6d Identification document(s) submitted (see instructions) Passport Driver's license/State I.D.
 USCIS documentation Other _____
 Issued by: _____ No.: _____ Exp. date: ____ / ____ / ____ Date of entry into the United States (MM/DD/YYYY): ____ / ____ / ____

6e Have you previously received an ITIN or an Internal Revenue Service Number (IRSIN)?
 No/Don't know. Skip line 6f.
 Yes. Complete line 6f. If more than one, list on a sheet and attach to this form (see instructions).

6f Enter ITIN and/or IRSIN ► ITIN -- IRSIN -- and

Common Tax Credits

Earned Income Tax Credit (EITC)

- A refundable tax credit that helps workers with low to moderate income.

Child Tax Credit (CTC)

- A nonrefundable tax credit that helps families with qualifying children.

Additional Child Tax Credit (ACTC)

- The refundable portion of the CTC, which may be available if your CTC exceeds the amount of tax you owe.

American Opportunity Credit (AOC)

- A refundable tax credit that helps families with the costs of higher education.

What If I Can't File On Time?

- **Option: Request an extension to file your tax return.**
 - Taxpayers can request an automatic 6-month extension to file their tax return.
 - **An extension to file does not extend the deadline to pay tax.** This means interest will continue to accrue on any balance due that is not paid with the application for extension, and you may be subject to penalties.
 - NC taxpayers who are approved for federal extensions are automatically granted extensions to file their NC tax return.
 - Must request the extension by the filing deadline (April 15, 2025).
 - Must estimate the amount you expect to owe when you file your return.
 - Extensions are only helpful if you expect to owe tax when you file your return.
 - How to apply:
 - Complete and submit [IRS Form 4868](#) either (1) electronically via your tax software or (2) on paper via mail, **OR**
 - Pay all or part of the estimated tax due online at irs.gov/payments, and indicate the payment is for an extension.

What If I Can't Pay On Time?

- **Option 1: Request an installment agreement (payment plan) when you file your tax return.**
 - Request online via the IRS' online payment agreement tool (www.irs.gov/OPA), or
 - If paper filing, submit [IRS Form 9465](#) with your tax return.
 - Some tax filing companies allow taxpayers to request an IRS payment plan through their filing software.
 - Streamlined payment plan: Taxpayers can apply to pay to off the tax debt over a 72-month period.
 - Reduced or Partial Pay payment plan: Available to taxpayers who can *provide proof* that they cannot afford the streamlined payment plan but can afford to pay a monthly amount of \$25 or more.
 - The IRS will request that taxpayers complete and submit IRS Forms 433-F or 433-A. These forms are used to collect the taxpayer's current financial information.

What If I Can't Pay On Time?

- **Option 2: File your tax return and wait to receive a bill from the IRS.**
 - **Full Pay**
 - **Installment Agreement (Payment Plan)**
 - **Offer In Compromise (OIC):** A full settlement of the tax liability for a lesser amount.
 - You must be able to *provide sufficient proof* that you cannot afford to pay the tax debt in full or that there are special circumstances that will prevent you from paying the tax debt in full (Doubt as to Collectability).
 - Other reasons to file an OIC: Doubt as to Liability; Effective Tax Administration
 - Many eligibility requirements for an OIC. Use the IRS' pre-qualifier tool to check your eligibility: https://irs.treasury.gov/oic_pre_qualifier/
 - **Temporary Delay (AKA Currently Not Collectible/CNC or Financial Hardship):** A temporary pause on collection activity.
 - Available to taxpayers who can *provide sufficient proof* that payment to the IRS will cause a financial hardship.
 - Taxpayers in CNC status still owe the IRS and interest and penalties continue to accrue.

What If I Can't Pay On Time?

- **Option 2a: File your tax return and wait to receive a bill from the State.**
 - Check with your state's Department of Revenue for options to deal with the tax debt.
 - NC taxpayers have the following options:
 - Full Pay
 - Installment Agreement (Payment Plan)
 - Taxpayers must wait until they receive a Notice of Collection from the NCDOR to request a payment plan.
 - <https://www.ncdor.gov/paymentagreements>
 - Offer In Compromise
 - <https://www.ncdor.gov/file-pay/collections/offer-compromise>

Tax Scams

Common Tax Scams

Impersonating an IRS Employee

Refund Schemes

Fake Charities

Romance Schemes

OIC Mills

Fake Tax Bills

Identity Theft



Disaster Scams

Fake Charities

Government Impersonators

- Claim they can help you apply for disaster relief
- Claim they can help you get a larger tax refund



Hurricane Helene Tax Relief

NCDOR

- Interest Relief
- Penalty Relief
- More time for certain partnerships and S corps to make their pass-through entity election

IRS

- Various filing and payment deadlines extended to **May 1, 2025**
 - Individuals with a valid extension to file their 2023 tax return
 - January and April 2025 quarterly estimated tax payments

Avoiding Tax Scams

- **Pay attention to the warning signs.**
 - Promises of large refunds, threats, demand for payment, misspelled words in notices or website links, suspicious requests for information
- **Verify who is contacting you.**
 - The IRS typically contacts taxpayers by mail.
 - Verify types of IRS notices here:
<https://www.irs.gov/individuals/understanding-your-irs-notice-or-letter>
 - The IRS will never contact taxpayers via social media.
 - Visit the IRS' official website (ww.irs.gov).
 - If you're still unsure, contact a trusted tax professional or a LITC for assistance.

Avoiding Tax Scams

- **Research reputable tax preparers.**
 - Verify the credentials and status of federal tax return preparers on the IRS' website.
 - Research businesses online via the BBB, reviews, or social media.
 - **Beware of tax preparers who:**
 - Ask you to deposit your refund into their bank account
 - Falsify information on your tax return
 - Do not sign or put their PTIN on the tax return
 - Do not provide records or receipts
 - Will not allow you to review the tax return before you sign it



Avoiding Tax Scams

- **Request an Identity Protection PIN (IP PIN).**
 - IP PIN: 6-digit number issued by the IRS that prevents someone else from filing a tax return with your TIN.
 - Use the IP PIN when filing your tax return to verify your identity.
 - **Do not share your IP PIN with friends or family.**
 - Only you, the IRS, and your trusted tax preparer should know your IP PIN.
 - You will receive a new IP PIN each year.
 - How to request an IP PIN:
 - Online via your online IRS Account.
 - Mail a completed Form 15227, Application for an Identity Protection Personal Identification Number.
 - Only available for taxpayers whose AGI is below \$79,000 for individuals or \$158,000 for joint filers.
 - In-person at your local Taxpayer Assistance Center.

Free Tax Return Filing Resources

- **Volunteer Income Tax Assistance (VITA)**
 - Free basic tax return preparation for qualifying taxpayers
 - Taxpayers who generally make \$67,000 or less
 - Taxpayers with disabilities
 - Taxpayers who speak a language other than English
 - Use the VITA locator tool to find a site near you. Most sites start posting hours/appointment information in January.
- **Tax Counseling for the Elderly (TCE)/AARP Tax Aide**
 - Free tax help for those 60 and older. Volunteers specialize in helping with tax issues specific to seniors.
- **VITA Latino** will continue to offer free tax preparation services in Spanish to Charlotte area taxpayers.
- **IRS Free File**
 - Self-prepare your return online for free through third-party tax preparation software programs or fillable forms.

New Free Filing Option: Direct File

- **New for the 2025 tax season:** Self-prepare your **federal** tax return online for free directly through the IRS' website.
 - Must sign-up for an IRS Direct File online account, which requires identity verification through ID.me.
 - Available in 24 states.
 - Once you've filed your federal return through Direct File, you will be guided to file your **NC state** tax return through a tax preparation software called FileYourStateTaxes.

Is Direct File Right For You?

- **Eligibility**

- Online eligibility checker available later this year or in January.
- Ideal for simple tax returns or workers with wage income only.
 - Direct File only supports certain types of income, credits, and deductions.
 - Self-employment and rental income are NOT supported by Direct File.
 - Direct File does not support itemized deductions.

Key Reminders

1. The 2025 tax season begins in January. The deadline to file and pay your taxes is April 15, 2025.
2. Be prepared for tax season by gathering your tax documents and important records.
3. Check your eligibility for tax credits before filing your tax return.
4. Renew or apply for an ITIN.
5. Timely file your tax returns. Plan ahead if you know you cannot file or pay on time.
6. Pay attention to the warning signs for tax scams and suspicious tax preparers.
7. Utilize free filing resources.

Join us this winter for our Community Tax Talk series hosted by the Advocacy Center's North Carolina Low Income Taxpayer Clinic!

CHARLAS SOBRE IMPUESTOS

6 de noviembre de 2024

Conceptos Básicos del Trabajo por Cuenta Propia

4 de diciembre de 2024

Recordatorios para la Temporada de Impuestos

15 de enero de 2025

Temas Impuestos para Inmigrantes

UBICACIÓN

Facebook Live

facebook.com/CLTLegalAdvocacy

TAX TALKS

November 7, 2024

Self-Employment Basics

December 5, 2024

Reminders for Tax Season

January 16, 2025

Tax Topics for Immigrants

LOCATION

Charlotte Center for
Legal Advocacy

5535 Albemarle Road, Charlotte

Facebook Live

facebook.com/CLTLegalAdvocacy

Helpful Resources

FOR MORE INFORMATION ON PREPARING FOR TAX SEASON

- **IRS Guide – Get Ready To File Your Taxes** (<https://www.irs.gov/individuals/get-ready-to-file-your-taxes>)
- **IRS Small Business and Self-Employed Tax Center** (www.irs.gov/smallbiz)
- **VITA/TCE Locator Tool** (<https://irs.treasury.gov/freetaxprep/>)
- **AARP Tax-Aide Site Locator Tool**
(https://www.aarp.org/money/taxes/aarp_taxaide/locations.html)
- **IRS Free File** (<https://www.irs.gov/filing/irs-free-file-do-your-taxes-for-free>)
- **IRS Direct File** (<https://www.irs.gov/filing/irs-direct-file>)
- **Consumer Financial Protection Bureau Guide to Filing Your Taxes in 2024**
(<https://www.consumerfinance.gov/consumer-tools/guide-to-filing-your-taxes/>)
- **Pub. 1915: Understanding your IRS ITIN** (<https://www.irs.gov/pub/irs-pdf/p1915.pdf>)
- **IRS** (<https://www.irs.gov>)
- **Taxpayer Advocate Service** (www.taxpayeradvocate.irs.gov)

The North Carolina Low-Income Taxpayer Clinic (Tax Clinic) provides low-income North Carolina taxpayers with free* representation in federal and state tax controversies and educates individuals about their rights and responsibilities as U.S. taxpayers.

If you need assistance with a tax matter, please contact us **980-353-3530** or schedule an appointment online

<https://charlottelegaladvocacy.org/what-we-do/tax-disputes/>

Presented by:

The North Carolina Low Income Taxpayer Clinic



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Connect With Us:

NCTaxClinic.org

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