

# Winter 2020 Tax Tips: Scams, Filings, and Credits



## COMMON TAX SCAMS

### ▪ Calls, Emails, or Texts from the IRS

**The IRS will never call, email, or text you.** It will always send letters. If a call, email, or text demands payment or threatens you in any way, it is not from the IRS.

Even if you are contacted by someone who knows a lot about you, claims to be an IRS employee, and has a telephone number that seems legitimate, he or she is not from the IRS.

### ▪ Calls from Private Collection Agencies

The IRS will **always** send you a letter with a Taxpayer Authentication Number before you are contacted by a private collection agency. The only private agencies that the IRS works with are CBE, ConServe, Performant, and Pioneer.

### ▪ Dishonest Tax Return Preparers

Before hiring a tax return preparer, consider verifying the preparer's credentials at <https://www.irs.gov/tax-professionals/choosing-a-tax-professional>.

### ▪ Identity Theft

If your tax return is rejected because there is already a return with your Social Security Number on file, you may be a victim of identity theft. To report identity theft, complete and submit [Form 14039](#) to the IRS.

## Deadlines and Updates: Tax Year 2019

**Filing and Payment Deadlines:** Due to COVID-19, the IRS and the State of Michigan have extended their filing and payment deadlines for 2019 taxes to July 15, 2020.

### **Economic Stimulus Payment:**

Due to COVID-19, if you make less than \$75,000 and are not claimed as a dependent, you are eligible for a \$1,200 tax refund and an additional \$500 per child under age 17, less the amount of any overdue child support. The government will send checks or direct deposits to the address or bank account provided in your 2019 tax return. If you have not filed a 2019 return, the government will look to your 2018 return and then to Social Security statements (SSA-1099s) or Railroad Retirement statements (RRB-1099s). Go to [www.irs.gov](http://www.irs.gov) for more information on how to get your payment.

**Even if you aren't required to file a tax return, it is almost always a good idea!**

# Need Filing Help?

- E-File with [IRS Free File on the IRS website](#)
- E-File with [Turbo Tax](#)
- Contact **Accounting Aid Society**  
3031 W. Grand Blvd., Ste. 470  
Detroit, MI 48202  
313-556-1920  
<https://accountingaidsociety.org/taxpayers/>  
(Appointments are temporarily suspended due to COVID-19.)

## TAX CREDITS

*Tax credits reduce the amount of tax that you owe. If you qualify for a refundable credit, you may receive money back from the IRS. You must file a return to qualify for a refundable credit.*

### ▪ **Federal Lifetime Learning Credit**

A nonrefundable credit for 20 percent of up to \$10,000 in tuition and qualifying education expenses, or a maximum credit amount of \$2,000. If you make \$68,000 per year or less, this credit can help you pay for undergraduate, graduate and professional degree courses, including courses to acquire or improve job skills. There is no limit on the number of years for which you can claim the credit.

### ▪ **American Opportunity Tax Credit**

A partially refundable credit for 100 percent of your first \$2,000 in qualified education expenses, and 25 percent of your next \$2,000 in qualified education expenses. To be eligible, you must: 1) not have been convicted of a drug possession or distribution felony before the end of the year for which you are claiming the credit; 2) be in your first four years of postsecondary education and not have claimed the credit more than four times; and 3) be pursuing a degree at least half-time at an eligible educational institution. If the credit eliminates the taxes you owe, you may receive 40 percent of the remaining credit amount (up to \$1,000) as a refund.

### ▪ **Michigan Homestead Property Tax Credit**

A refundable credit for those who: 1) paid rent or owned a home and paid property taxes in Michigan during the tax year; 2) have total household resources of \$60,000 or less in the tax year; and 3) were Michigan residents six or more months during the tax year. You may claim the credit by filing Form MI-1040CR, and you may amend up to four years of past tax returns to claim the credit if you did not claim it before.

### ▪ **Michigan Home Heating Credit**

A credit for homeowners and renters who are Michigan residents, lived in Michigan six or more months during the tax year, and made below a certain income threshold. The threshold is roughly \$14,000 for a single person. You can claim the credit by filling out Form MI-1040CR-7 by September 30th of the year following the year for which you're claiming the credit. The amount of the credit depends on actual heating costs and will be reimbursed directly to your heat provider.

### ▪ **Earned Income Tax Credit**

A refundable tax credit for people who earn income below a certain threshold. The threshold for a single person with no qualifying children is \$15,570. The thresholds are higher for married persons and for persons with one or more qualifying children. Married taxpayers must file jointly to receive the credit.

### ▪ **Child Tax Credit**

A partially refundable tax credit for people with at least one qualifying child. The maximum amount of the credit is \$2,000 per qualifying child, and up to \$1,400 of the credit is refundable.

Internal Revenue Service  
800-829-1040  
(7 a.m. to 7 p.m. local time)  
<https://www.irs.gov>

(Due to COVID-19, IRS call centers are temporarily closed.)

Michigan Law  
Low Income Taxpayer Clinic  
734-936-3535

<https://www.law.umich.edu/clinical/litc/Pages/default.aspx>  
(Due to COVID-19, Michigan Law's LITC is not currently accepting new clients.)