



2021 WHATCOM TAX GUIDE



IRS CERTIFIED FREE TAX PREPARATION SITES

Contact-free & virtual tax preparation for households making < \$66,000/year

Northwest Indian College

2522 Kwina Rd.

Coop. Extension (Bldg. #20)

360-392-4345 or 255-4414

2/1 - 4/15, Mon. & Wed.

8am - 12pm, 1 - 5pm

One-on-one tax assistance, or option to self-file with support available. Details [here](#)

Western Wash. University

wwwubap.org/elementor-431/

vita.wwu.bap@gmail.com

2/8 - 4/14, Mon. - Wed.

4 - 8pm, Fri. 9am - 12pm

(No walk-in services)

[Register](#) in advance, and view additional information [online](#). Printable [flyer](#) also available.

United Way of King County

uwkc.org/need-help/tax-help

freetax@uwkc.org

206-461-3700

1/20 - 4/18

Safe, secure, and 100% online filing assistance available to Washington State residents in any county



DO IT YOURSELF: FREE ONLINE TAX PROGRAMS & HELP

Prepare and file your 2020 tax return for free, and find important information online

IRS FREE FILE

irs.gov/freefile

Use brand-name tax software for free through IRS Free File

AARP ASSISTANCE

aarpfoundation.org/taxaide

File your own taxes with virtual help from a certified tax aide

WHATCOM ABC

whatcomabc.org/taxes

Find the latest tax information as updates become available

Tip: many online programs provide free filing for simple tax returns, **but may charge a fee for more complicated returns.** To avoid an unexpected charge, utilize one of the IRS Certified resources listed above.

Not sure where to start? Call Opportunity Council's tax hotline at 360-746-0100, or email taxes@oppc.org

WHY USE AN IRS CERTIFIED FREE TAX PREPARATION SITE?

- It's **FREE!** The average tax return costs \$240 but can range between \$100 and \$600. At free tax prep sites, no one's offering you costly loan products with hidden fees.
- It's **ACCURATE!** IRS Certified free sites have a 94% accuracy rate, while paid preparers are rated as only 40% accurate. This could mean more money owed or not getting a full refund.



THINGS YOU SHOULD KNOW FOR THE 2021 TAX SEASON

Earned Income Tax Credit (EITC)

If you work and have a low to moderate income, you may be eligible for the EITC. If you qualify, the credit could lower the amount of tax you owe, or give you a larger refund. To qualify, you must meet [requirements](#), and file a tax return with the IRS, even if you don't owe taxes this year.

Additional Child Tax Credit (ACTC)

The ACTC can lower your tax burden even more, and can result in a better refund. You don't have to have more than one child to qualify for the ACTC. As long as the amount of tax you owe is less than the amount of the credit (up to \$1,000 / child), you might qualify for this additional credit.

Important information for both EITC and ACTC:

- Due to COVID-19, **you can elect to use either your 2019 or 2020 earned income** to claim your EITC/ ACTC this year. Select the year with the **higher earned income**, as long as it does not exceed the income limit (see [EITC chart](#), see [ACTC eligibility](#)) to receive a **larger credit**.
- Expect a delayed refund: if you claim EITC/ACTC, **the IRS can't issue your refund until March**.

Recovery Rebate Credit

If you didn't get an Economic Impact Payment (stimulus check) in 2020, you may be eligible for a Recovery Rebate Credit when you file your 2020 Form 1040 or 1040SR. Learn more [here](#)

Reporting Unemployment Compensation

You may be among the millions of people who receive(d) unemployment compensation due to COVID-19. These benefits are taxable and must be reported on your tax return. Learn more [here](#)

DOCUMENT CHECKLIST

Preparation is the key to efficiency, so begin gathering items you may need:

PERSONAL INFORMATION

- Photo ID
- Social Security card or ITIN assignment letter
- Dates of birth
- Copy of 2019 return (if using new online pgm.)
- Bank account & routing numbers

INCOME INFORMATION

- W-2 Forms
- Any 1099 Form
- Alimony received
- Misc. income (jury duty, gambling winnings, etc.)

HEALTH INSURANCE DOCS

- 1095-A, 1095-B, or 1095-C (if relevant)

DEDUCTIONS AND CREDITS

- Charitable donations
- Medical and dental expense records
- Property Taxes
- Mortgage Interest

BACK-UP INFORMATION

- Alimony paid
- Any 1098 Form
- Childcare Costs