



EVERYTHING
smiONE Card
HOLDERS NEED TO KNOW ABOUT
TAX SEASON

BY COLIN LINNEWEBER

Here are five words worth remembering: Tax season is rapidly approaching. While that may trigger symptoms of anxiety, it shouldn't. After all, many of you will soon receive your income tax refund. So, let's review important tax deadlines and dates, discuss the three primary ways to file taxes, and look at clever ways to use your extra cash. Plus, and perhaps most significantly, let's get familiar with the IRS' "Dirty Dozen" list of tax scams to ensure that your refund is safely deposited into your smiONE Card Account.

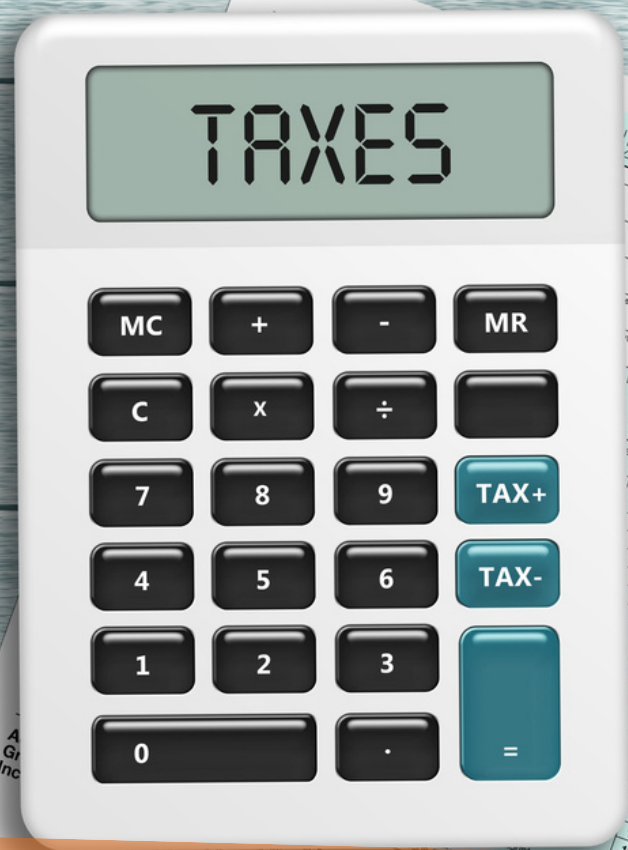
What is **tax season?**

Tax season is the annual time frame between January 1 and mid-April when individuals and businesses prepare and file their income taxes for the previous calendar year.

When do employers have to **send your tax forms?**

The IRS requires all employers to send you a W-2 form (and certain 1099 forms) no later than January 31 following the tax year that payments were issued. If you don't receive the form by this date, contact your employer and ask them to send you a copy. If your efforts to get a copy don't work, call the IRS at 800-TAX-1040. After the IRS is notified, one of its agents will contact your employer or payer and request that they send you the form within 10 days.





How to **file your taxes?**

There are three primary ways you can file your taxes. One way is to complete an [IRS Form 1040](#) or [Form 1040-SR](#) by hand and [mail it to the IRS](#). Another option is to use a [tax software platform](#) to submit your taxes online. Lastly, you can hire a certified public accountant, tax attorney, or another type of tax return preparer to file your taxes.

When is the deadline for **filing your taxes?**

Provided you don't request an extension, you must file your taxes no later than Tuesday, April 18, 2023. Your refund should arrive via direct deposit within three weeks after filing your taxes. Alternatively, if you file for an extension and it's granted, you have until Monday, October 16, 2023, to file your taxes. To request an extension to file, [click here](#). It's important to note that even if the IRS approves an extension, you will be obligated to pay interest on any taxes you may have owed at the deadline.

Why you should **avoid tax refund anticipation checks**

A refund anticipation loan (RAL), sometimes called an instant tax refund, is a short-term advance based on your expected income tax refund from the IRS. RALs, usually available within 24 hours and often less than your total refund, are notorious for their pricey fees, exorbitant finance charges, and high-interest rates. Particularly concerning, RALs are infamous for targeting low-income filers who badly need funds. Once your tax refund check is issued, much of it is directly deposited into the lender's account. Unfortunately, if your refund is less than anticipated, you're still required to repay the costly loan in full. Essentially, by electing to receive a RAL, you're sacrificing money to predatory lenders to collect your refund check a few weeks earlier.

How to get your refund directly deposited into **your smiONE Card Account**

Do you know where to locate the routing and account numbers on your smiONE Card? You should because you need these numbers for various bank transactions, including having your federal or state tax refund deposited into your smiONE Card Account. Below is a thorough guide on your smiONE Card's routing and account numbers, with instructions on where to enter them to complete your tax form and secure a timely refund.



Why you should **avoid tax refund anticipation checks**

A refund anticipation loan (RAL), sometimes called an instant tax refund, is a short-term advance based on your expected income tax refund from the IRS. RALs, usually available within 24 hours and often less than your total refund, are notorious for their pricey fees, exorbitant finance charges, and high-interest rates. Particularly concerning, RALs are infamous for targeting low-income filers who badly need funds. Once your tax refund check is issued, much of it is directly deposited into the lender's account. Unfortunately, if your refund is less than anticipated, you're still required to repay the costly loan in full. Essentially, by electing to receive a RAL, you're sacrificing money to predatory lenders to collect your refund check a few weeks earlier.

How to get your refund directly deposited **into your smiONE Card Account**

Do you know where to locate the routing and account numbers on your smiONE Card? You should because you need these numbers for various bank transactions, including having your federal or state tax refund deposited into your smiONE Card Account. Below is a thorough guide on your smiONE Card's routing and account numbers, with instructions on where to enter them to complete your tax form and secure a timely refund.



Locating your smiONE Card's routing and account numbers

You can find your smiONE Card's routing and account numbers by using the app or logging into the Online Account Center at my.smionecard.com. To download the smiONE Mobile App, visit smionecard.com/app.

Follow the instructions below to locate your account info:

On the mobile app:

- Click on Deposit
- Click on Download Direct Deposit Form
- Your account information can be found on the download screen

On a desktop computer:

- Login at smiONEcard.com
- Click on My Cards
- Select Direct Deposit
- You can find your account information in the Direct Deposit module

Getting your tax refund deposited directly into your smiONE account

Having your federal or state tax refund deposited into your smiONE Card Account is easy, and it'll save you plenty of time and hassle. Follow the instructions below to expedite the process and have the funds sent into your account.

If using tax software:

- Enter your smiONE Card's account and routing numbers when prompted for a refund method

If using a paper return:

- Enter your smiONE Card's account and routing numbers on line 35 of your 1040 form
- Choose "Checking" as your refund method, and remember that the name on your tax form and smiONE Card must be an exact match

To find your refund status:

Check with the IRS within 24 hours of filing your taxes online. Whatever program you've used should notify you when the IRS has accepted the return, and the IRS' website updates their statuses daily.

Five smart things to do with **your tax refund**

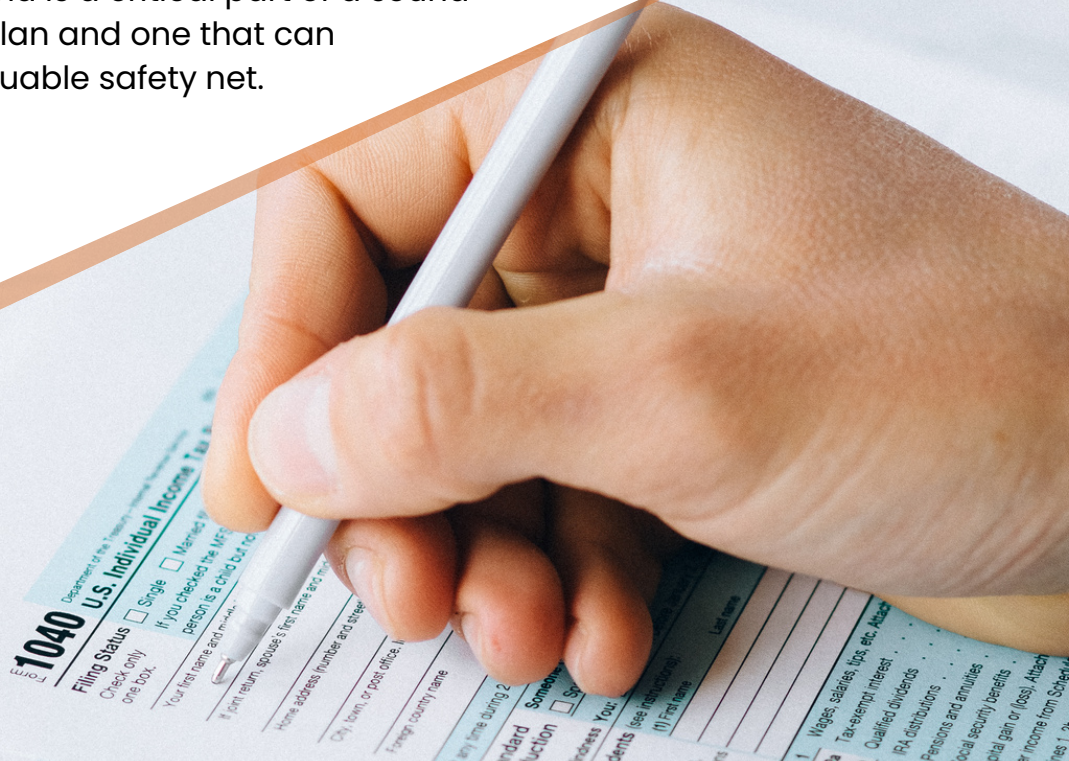
As noted at the outset, tax season shouldn't create feelings of anxiousness because many of you will soon gain additional funds. While it's exciting to collect extra cash, that doesn't mean you should waste it on impulsive purchases or keep it in a checking account that doesn't earn interest. Provided you don't need your refund for rent, bills, or other household necessities, use it to improve your financial health. Below are five intelligent things you can do with your tax refund

1 Pay down debt

While it may not be exhilarating, using your tax refund to decrease high-interest debt will bring long-term rewards. Reducing or paying off debt, such as credit cards and private student loans, can help you save money in the long term and boost your credit score.

2 Increase your emergency fund

An emergency fund is a savings account established for unexpected expenses, such as an illness, job loss, car accident, home repairs, or other unforeseen costs. To prepare for life's surprises, you could open a high-yield savings account and deposit your tax income refund in it. Having an emergency fund is a critical part of a sound financial management plan and one that can provide you with an invaluable safety net.



3

Invest in yourself

You've likely heard the clichés "dress to impress" and "you never get a second chance to make a good first impression." Well, these adages are especially true when dressing for an interview. It's necessary to present a professional image when interviewing with an employer or school admissions counselor for the first time.

Generally speaking, the candidate dressed in business professional attire will make a better impression than one wearing casual clothing. Thus, consider using your income tax refund on buying clothing that will present you in a positive light. Remember, you're investing in yourself!

**4**

Invest with certificates of deposit (CDs)

Putting your tax return into a high-interest CD can pay out high yields once it matures. A CD is a low-risk investment that offers guaranteed interest rates, combats value losses caused by inflation, and can help you save for a big purchase. To compare best CD rates and account details, visit [Bankrate.com](https://www.bankrate.com).

5

Save for retirement

Regardless of where you are in your career trajectory, it's important to invest for retirement. Therefore, consider using your tax refund to contribute to any retirement accounts you have opened. On the flip side, if you haven't created a retirement plan, now may be the time to evaluate your choices. After all, as the saying goes, "If you don't think about your future, you cannot have one."

Safety tips:

How to avoid the “Dirty Dozen” tax scams

You’re likely excited to receive your tax refund check. Maybe you’ll use the extra cash to reduce your debt, open a high-interest CD, start an emergency fund, save for retirement, invest in yourself, or go on a shopping spree. Regardless of what you plan to do with your money, familiarize yourself with the [12 major tax refund-related scams](#) that affect thousands of people each year. The IRS labeled these scams the “Dirty Dozen” and provided safety tips, like stressing that its agents don’t place phone calls or “initiate contact with taxpayers by email, text messages or social media channels,” to help you avoid becoming a victim. Let’s [review some common scams](#) to watch for and equip you with the knowledge you need to fight the efforts of con artists across the globe.

1

Identity theft

The IRS named identity theft [one of](#) the most prevalent tax scams today. Also called stolen identity refund fraud (SIRF), this scam emerged around 2008 and impacts millions of Americans (and [costs taxpayers billions of dollars](#)) annually. Alarmingly, SIRF is relatively easy for scammers to perpetrate. They first steal your identifying information and then fraudulently file a bogus tax return in your name. Eventually, your refund is sent to a schemer’s mailing address or directly deposited into a financial account that this individual controls.

While the government continues to take measures to thwart identity theft and refund fraud, you must remain aware and vigilant. If your personal information has been lost or stolen, immediately [contact the IRS Identity Protection Specialized Unit](#).

2

Phone scams

Phone scams are another favorite trick used by stolen identity refund fraudsters. In this ruse, you receive a phone call from an individual who falsely claims to be an IRS agent or representative. This “employee,” who generally uses an alias and reads a fake IRS identification badge number, often sounds educated, sophisticated, and convincing. The imposter may speak aggressively and demand that you promptly pay your outstanding IRS debt via a pre-loaded debit card or wire transfer. If you refuse to cooperate, the caller may become hostile and threaten arrest, imprisonment, deportation, and many other penalties and criminal actions.

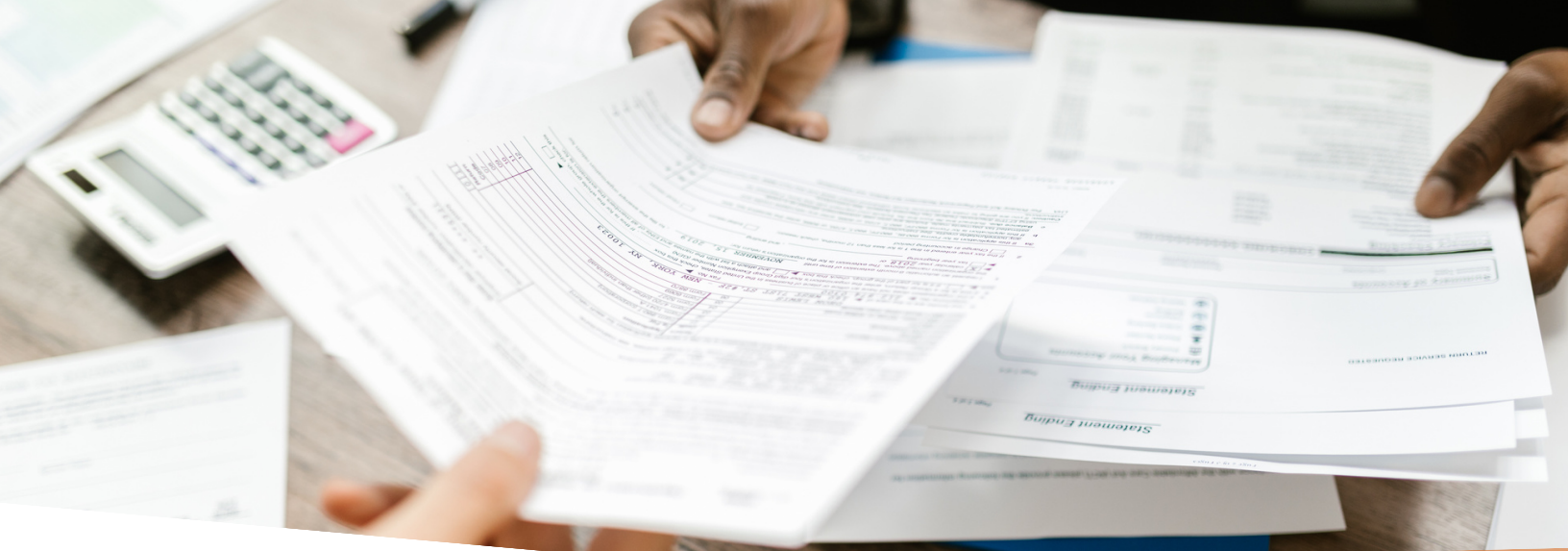
The IRS will never call you to demand a repayment over the phone, make any threatening statements, or deny you the opportunity to appeal a debt. In actuality, rather than placing a call or communicating electronically, they’ll simply mail you a bill if you owe money. If you receive a call, voice message, or email from someone you think may be an IRS imposter, ignore this person’s communication and contact the IRS. Subsequently, report the incident to the Treasury Inspector General for Tax Administration.

3

Phishing

The IRS warns taxpayers to watch out for phishing, email, text, malware, and social media messaging schemes. These schemes occur when scammers use fake emails or bogus websites to steal your personal and/or financial information. Oftentimes, you’ll receive an electronic message from an “IRS official” who details an unexpected tax bill or refund. In this message, there is usually a link that brings you to a site that mirrors the IRS’ official home page. Once there, you may see a prompt to install malware, “update your IRS e-file,” or provide your social security number. All these requests can help a scammer access your financial and personal information so they can falsely file tax returns.

Again, it is imperative to remember that Uncle Sam will not contact you on the telephone or in any manner electronically. If a questionable email appears in your inbox, do not respond to the message or click on any links. Instead, report this email to the IRS by forwarding it to phishing@irs.gov.



4 Return preparer fraud

While certified tax professionals are critical to our economic system, there are also phony tax preparers who are nothing more than criminals. The IRS reports that “nearly two-thirds of taxpayers rely on professional tax preparers to assist them with their returns.” Most tax preparers are diligent individuals who make an honest living. Conversely, some tax preparers are corrupt and seek to pocket your refund money. Such deceitful preparers may encourage you to claim inaccurate credits, or inflate deductions or exemptions, to maximize the amount of money in your tax refund check. Working on a large fee, these “professionals” secure maximum earnings and have much of your refund deposited into their accounts. As you know, “ignorance is not an excuse.” Hence, even if prepared by a professional, you are responsible for the information on your tax return. To prevent getting duped, ask your tax preparer for references or use one who is recommended to you by a trusted friend or associate. You can also visit the [IRS’ Federal Tax Return Preparer directory](#) to select a reputable professional near you.

5 Offshore tax avoidance

Be wary if a tax professional contacts you and recommends transferring your money into offshore accounts or foreign trusts. This person may be a thief who is eager to steal your hidden funds. Plus, while it is not unlawful to have cash, brokerage accounts, or other investments in foreign countries, it is illegal to conceal your finances to avoid paying taxes on them. Failure to disclose all of your finances can result in civil and criminal penalties and fines. Again, because ignorance will never serve as an acceptable excuse, be mindful of calls or emails that suggest sending your cash overseas. This may be another scam and one that, even if you are the victim, could get you prosecuted by the IRS.

6**Inflated refund claims**

Uncle Sam urges you to be alert if anyone vows to file a tax return on your behalf and score a larger refund than you're owed. In this scenario, a scammer working on a large fee looks to create inflated refunds by claiming fake education credits, social security benefits, and low-income housing benefits. Scammers lure you into this ploy by using advertisements, flyers, and even fictitious storefronts. If an individual asks you to sign a blank tax return or estimates the amount of your tax refund check, run away.

7**Fake charities**

Some kindhearted souls donate their tax refund checks to charitable organizations. Regrettably, scam artists are notorious for establishing fake charities to exploit your kindness and swipe your money or identity. Before donating a penny, [review the IRS' comprehensive list of charitable organizations](#) to confirm its authenticity. When making a tax-free donation, don't offer your personal or financial information, and always use a canceled check or credit card to document your contribution.

8**Falsely padding deductions on returns**

Some tax preparers pad deductions to balloon the value of a tax refund check. While noting deductions, including charitable contributions and business expenses, are legitimate, it's unlawful to inflate expenses to gain a bigger return. Even a minor exaggeration can lead to significant civil penalties and criminal prosecution. John O'Hara is the president and CEO of the Better Business Bureau serving Mississippi. O'Hara warned taxpayers to avoid hiring a tax preparer who pledges to secure a substantial refund.

"It's a federal offense," O'Hara said during an interview with MSNewsNow. "If you spend that money and can't return it, you could be seeing some jail time."

O'Hara advises that "your tax preparer should either be a certified public accountant, a tax attorney, or an enrolled agent." If a rogue preparer flees town after the tax season ends, you'll need to explain all errors in your filing. Take O'Hara's advice and retain the services of a reputable tax preparer.

9

Excessive claims for business credits

The IRS warns against falling into the scheme of making excessive claims for business credits. Making such claims, like listing the fuel tax credit to reduce your taxes, is unlawful. As with any bogus tax claim, even if it's produced by someone else, you are responsible for fraudulent information on your return entry. As Forbes tweeted regarding excessive claims for business credits, "When in doubt, assume it's a scam."

10

Falsifying income to claim credits

Scam artists are infamous for persuading some taxpayers to falsify their income to claim credits. This scheme involves inventing income to qualify for refundable credits, like the earned income tax credit and additional child tax credit. This scheme is attractive to unscrupulous tax preparers because, with a refundable credit, you can receive a refund even if you don't owe taxes. Per usual, if you are caught knowingly or unknowingly participating in this scam, expect hefty fines and even criminal prosecution. Rather than placing your personal and financial reputation at risk, retain the services of an honorable tax professional who will accurately complete your return.



TAX

11**Abusive tax shelters**

Abusive Tax Shelters is an intricate tax avoidance scam offered by the frauds who create and peddle them. This scheme involves investing your money in shelters to evade paying your tax returns. Abusive Tax Shelters include trust accounts, offshore tax arrangements, and using a limited liability company (LLC) or limited liability partnership (LLP) to manipulate or conceal taxable income and/or ownership of assets. As Forbes counseled, "When in doubt, assume it's a scam." To learn if a complex tax arrangement is authentic, and avoid falling prey to the scandalous advisors who push them, seek guidance from a certified professional.

12**Frivolous tax arguments**

Uncle Sam cautions against using frivolous tax arguments to defy federal tax laws and evade paying taxes. Advocates of frivolous tax arguments may implore you to invoke the First Amendment to avoid paying tax returns on religious or moral grounds. Unfortunately, and likely known to these advocates, such arguments are baseless and deemed illegitimate in court. You are required by law to file your taxes annually. If you disobey the law and devise a frivolous tax argument, you'll receive a \$5,000 fine and be subject to criminal prosecution. Rather than listening to a con artist and placing your future in jeopardy, read the IRS' article, "The Truth About Frivolous Tax Arguments."

Contact SMI

You are now ready for tax season and know how to have your refund safely deposited into your smiONE Card Account. If you need assistance or have questions, log into the Online Account Center at my.smionecard.com or use the number on the back of your card to talk with one of our live agents. You can also visit smionecard.com/contact to email us or get 24/7 automated account help. At SMI, our job is to go the extra mile to deliver compassionate service that makes your life as easy as possible, and that's what we're committed to doing.