

## Millions of Taxpayers Face Refund Delays in 2017

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### New tax law requires the IRS to hold some refunds until February 15

KANSAS CITY, MO -- (Marketwired) -- 11/15/16 -- As many as 15 million taxpayers could have their refunds delayed until at least February 15 next year, according to an analysis by H&R Block (NYSE: HRB), a leading consumer tax preparation company. The Protecting Americans from Tax Hikes (PATH) Act now requires the IRS to hold refunds for returns claiming the earned income tax credit (EITC) and additional child tax credit (ACTC) until February 15. Approximately 30 million taxpayers claim the EITC or ACTC, with half filing early.

"Taxpayers should file as they normally would, even if they expect their refund will be delayed," said Kathy Pickering, executive director of [The Tax Institute](#) at H&R Block. "The IRS still expects to issue most refunds in less than 21 days, although the IRS will hold refunds for EITC and ACTC-related tax returns filed early in 2017 until February 15 and then begin issuing them."

While the IRS will release those refunds on February 15 many taxpayers may not see the funds deposit into their banking accounts for a few days afterward. This additional delay could be for many reasons and it is best for taxpayers to check the IRS's [Where's My Refund](#) website for any funding updates.

### *Delay helps IRS combat tax identity fraud*

The [EITC received nationwide](#) averaged approximately \$2,500 per eligible taxpayer last year. While \$65.6 billion was paid out last year, the IRS indicates that approximately one in five payments are made in error, either through fraudulent filing or confusion due to complexity in claiming the benefit. These credits are [target rich for tax identity thieves and fraudsters](#). In fact, the [EITC has one of the highest improper payment rates](#) of the 16 "high-error" programs identified by the government.

Holding taxpayer refunds until February 15, along with the mandate that employers send employee W-2s to the IRS by January 31, allows the IRS additional time to help prevent revenue lost due to identity theft and refund fraud related to fabricated wages and withholdings.

"It is important for taxpayers who claim these benefits to plan now for the delay," Pickering said. "Visiting with a tax professional now can help them better understand the overall impact."

### *Delays just one part of tax law changes*

The PATH Act made dozens of changes to the tax code, including [permanently extending many tax benefits](#), [implementing renewal requirements for Individual Taxpayer Identification Numbers \(ITINs\)](#), [changing eligibility requirements for certain tax credits](#), [expanding other tax benefits](#), [increasing the cost of making mistakes](#) and [altering small business tax benefits](#). But its delay of millions of refunds until at least February 15 will be widely felt by early filers who in the past could expect a refund which [averaged more than \\$3,500 in 2015](#) by late January.

To learn more about tax law changes and refund delays due to the PATH Act, taxpayers can visit [www.hrblock.com/path](http://www.hrblock.com/path). They can also [make an appointment with a tax professional online](#) or call 1-800-HRBLOCK.

### *About H&R Block*

H&R Block, Inc. (NYSE: HRB) is a global consumer tax services provider. Tax return preparation services are provided by professional tax preparers in approximately 12,000 company-owned and franchise retail tax offices worldwide, and through H&R Block tax software products for the DIY consumer. H&R Block also offers adjacent Tax Plus products and services. In fiscal 2016, H&R Block had annual revenues of over \$3 billion with 23.2 million tax returns prepared

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