

Tax Season Starts on Time for Most Taxpayers

Those Affected by Late Tax Breaks Can File in Mid- to Late February

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WASHINGTON · Following last week's tax law changes, the Internal Revenue Service announced today the upcoming tax season will start on time for most people, but taxpayers affected by three recently reinstated deductions need to wait until mid- to late February to file their individual tax returns. In addition, taxpayers who itemize deductions on Form 1040 Schedule A will need to wait until mid- to late February to file as well.

The start of the 2011 filing season will begin in January for the majority of taxpayers. However, last week's changes in the law mean that the IRS will need to reprogram its processing systems for three provisions that were extended in the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 that became law on Dec. 17.

People claiming any of these three items · involving the state and local sales tax deduction, higher education tuition and fees deduction and educator expenses deduction as well as those taxpayers who itemize deductions on Form 1040 Schedule A · will need to wait to file their tax returns until tax processing systems are ready, which the IRS estimates will be in mid- to late February.

The IRS will announce a specific date in the near future when it can start processing tax returns impacted by the late tax law changes. In the interim, people in the affected categories can start working on their tax returns, but they should not submit their returns until IRS systems are ready to process the new tax law changes.

The IRS urged taxpayers to use e-file instead of paper tax forms to minimize confusion over the recent tax changes and ensure accurate tax returns.

Taxpayers will need to wait to file if they are within any of the following three categories:

- Taxpayers claiming itemized deductions on [Schedule A](#). Itemized deductions include mortgage interest, charitable deductions, medical and dental expenses as well as state and local taxes. In addition, itemized deductions include the state and local general sales tax deduction extended in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 enacted Dec. 17, which primarily benefits people living in areas without state and local income taxes and is claimed on Schedule A, Line 5. Because of late Congressional action to enact tax law changes, anyone who itemizes and files a Schedule A will need to wait to file until mid- to late February.
- Taxpayers claiming the Higher Education Tuition and Fees Deduction. This deduction for parents and students · covering up to \$4,000 of tuition and fees paid to a post-secondary institution · is claimed on [Form 8917](#). However, the IRS emphasized that there will be no delays for millions of parents and students who claim other education credits, including the American Opportunity Tax Credit and Lifetime Learning Credit.
- Taxpayers claiming the Educator Expense Deduction. This deduction is for kindergarten through grade 12 educators with out-of-pocket classroom expenses of up to \$250. The educator expense deduction is claimed on [Form 1040](#), Line 23, and Form 1040A, Line 16.

For those falling into any of these three categories, the delay affects both paper filers and electronic filers.