

Refunds in 2017

Choosing e-file and direct deposit for refunds remains the fastest and safest way to file an accurate income tax return and receive a refund.

The IRS still anticipates issuing more than nine out of 10 refunds in less than 21 days, but there are some important factors to keep in mind for taxpayers.

Beginning in 2017, a new law requires the IRS to hold refunds on tax returns claiming the Earned Income Tax Credit or the Additional Child Tax Credit until mid-February. Under the change required by Congress in the Protecting Americans from Tax Hikes (PATH) Act, the IRS must hold the entire refund — even the portion not associated with the EITC and ACTC — until at least Feb. 15. This change helps ensure that taxpayers get the refund they are owed by giving the IRS more time to help detect and prevent fraud.

The IRS will begin releasing EITC and ACTC refunds starting Feb. 15. However, the IRS cautions taxpayers that these refunds likely won't arrive in bank accounts or on debit cards until the week of Feb. 27 (assuming there are no processing issues with the tax return and the taxpayer chose direct deposit). This additional period is due to several factors, including banking and financial systems needing time to process deposits.

After refunds leave the IRS, it takes additional time for them to be processed and for financial institutions to accept and deposit the refunds to bank accounts and products. The IRS reminds taxpayers many financial institutions do not process payments on weekends or holidays, which can affect when refunds reach taxpayers. For EITC and ACTC filers, the three-day holiday weekend involving President's Day may affect their refund timing.

Where's My Refund? on IRS.gov and the IRS2Go phone app will be updated with projected deposit dates for early EITC and ACTC refund filers a few days after Feb. 15. Taxpayers will not see a refund date on Where's My Refund? or through their software packages until then. The IRS, tax preparers and tax software will not have additional information on refund dates, so Where's My Refund? remains the best way to check the status of a refund.