

# Dept. of Revenue: Earned Income Credit recipients trade delays for larger tax refunds

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Individuals who submit the Wisconsin earned income credit (EIC) on their 2020 state income tax return submission can expect refund delays, yet possibly larger refunds. These delays are good news for taxpayers who may get a larger credit than expected due to an adjustment in how the credit is calculated on federal and state taxes.

To help offset losses many people experienced from missed income in 2020 due to the pandemic, the IRS and Wisconsin Department of Revenue (DOR) are basing EIC on the greater of the taxpayer's 2019 and 2020 incomes. This tax law change was adopted as a result of the Wisconsin legislature passing, and Governor Evers signing, certain tax law provisions in the federal Consolidated Appropriations Act.

The tax law change occurred in February, when many taxpayers had already filed their tax returns, so the WI DOR embarked on a project to adjust the tax returns for tax payers who would have benefited from applying the 2019 income amounts, without requiring the taxpayer to re-file or amend their returns. DOR will automatically make these adjustments to make it easier for taxpayers who rely on their EIC. If you have already filed your Earned Income Credit claim, you do not need to amend to receive the adjustment the law change provides.

"We are pleased to be able to assist families with streamlining their tax return process and maximize the income tax return at a time when families need it the most," said DOR Secretary Peter Barca. "We hope families will understand the slight

delays are worth the wait of a larger return as our staff ensures they obtain the best return possible. And the extra money could not have come at a better time as families are counting every dollar while we continue to beat this pandemic and move forward to brighter days ahead.”

While the added layer of review for EIC returns may increase the time necessary to get refunds in the hands of these taxpayers, its result is more money in their pockets helping struggling households when they need it most.

Getting refunds in the hands of taxpayers as soon as possible is a top priority for DOR. Electronic submission of an individual income tax return is by far the fastest, most secure and accurate means of filing and expediting refunds. But the department also stresses that in some cases returns may take up to 12 weeks to process due to ID verification and other security or quality assurance measures.

Taxpayers wishing to track their tax refund status may do so on the [Where's My Refund page](#) of DOR's website or by downloading the WI Revenue app.