

## **Potential IRS Penalty**

The balance due on your federal income tax return is larger than \$1000. By law, the IRS may impose a penalty for such a large balance due. Your AARP Foundation Tax-Aide volunteers cannot determine for you whether there will be a penalty, nor estimate the amount of penalty. If the IRS imposes a penalty or interest, they will send you a written notice to the address on your tax return. Be sure to read any notices carefully and respond as requested.

In order to avoid a potential penalty next year, we recommend you consider these options:

- Pay estimated taxes on a quarterly basis. Your AARP Foundation Tax-Aide volunteer can assist you with setting up estimated tax payments.
- Increase federal income tax withholding on your sources of income.

Visit IRS.gov and click the Check Your Federal Tax Withholding option to learn more.