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the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) will be delayed. Specifically, the agency will hold tax refunds until at least Feb 15.

Jun. 15, 2016

The Internal Revenue Service says that, next tax season, processing of early-filed income tax returns with the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) will be delayed. Specifically, the agency will hold tax refunds until at least February 15.

The agency says holding the refunds is so it has time to verify information, thereby reducing EITC refund fraud and ID theft. The IRS was mandated to hold the refunds by the last tax bill that Congress passed. The Protecting Americans from Tax Hikes Act of 2015 (PATH Act) was enacted on Dec. 18, 2015, and included many provisions, including [making many "tax extenders" permanent](#).

The IRS said in a statement that it is alerting taxpayers now that there will be delays so that the tax community can prepare for the 2017 season. The agency plans a wider communication effort this summer and fall to notify taxpayers about the changes that will affect some early filers.

This change begins Jan. 1, 2017, and may affect some returns filed early in 2017. Additional information is listed below.

- To comply with the law, the IRS will hold the refunds on EITC and ACTC-related returns until Feb. 15.
- This allows additional time to help prevent revenue lost due to identity theft and refund fraud related to fabricated wages and withholdings.
- The IRS will hold the entire refund. Under the new law, the IRS cannot release the part of the refund that is not associated with the EITC and ACTC.

- Taxpayers should file as they normally do, and tax return preparers should also

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More information about this law will be posted to IRS.gov and shared with partners and taxpayers throughout the second half of 2016.

Income Tax • IRS

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