



What's the best way to get a big tax refund?

Posted By: Preston Rudie ■ Date last updated: 3/24/2009 9:19:02 AM

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Find out what happens when a local family prepares their taxes three different ways - online at home, by H&R Block and by a CPA. Do they come up with three different refunds and why?

Land O' Lakes, Florida -- When we wanted to know what the best way to get a big tax refund was, Susan and Michael Connelly volunteered to help us out. The Connelly's agreed to share their personal financial information on camera and have their taxes prepared three different ways, while 10 Connects paid for all bills associated with the story.

The Connelly's are your typical Bay area family. They own a home in Land O' Lakes and have a 4-year-old son. Michael works as a RN at [University Community Hospital](#) and Susan works from home as an independent consultant for [The Pampered Chef](#). In 2008, the Connelly's total household income was nearly \$70,000, while they paid \$9,850 in federal taxes.

We first had the Connelly's prepare their taxes on their own using a free service linked to the [Internal Revenue Services website](#). After more than an hour, Susan Connelly finished with a refund of \$2,316. However, Susan says the program was confusing and was convinced she'd made several mistakes.

"It's complicated and I have no clue if I'm doing it right or not," she said.

Next, we had Susan take her taxes to [H & R Block](#), where she met with a tax advisor. After an hour, Susan was told she was due a refund of \$4,689. However, the bill, which included filing for her refund electronically, totaled \$317. A manager for H & R Block explained the bill was based on the number of forms used to prepare the Connelly's return.

Finally, Susan met with Debbi Eisenstadt, a certified public accountant with [Magnus Flaws & Company](#). Eisenstadt and Susan talked on the phone before meeting for about 45 minutes. Eisenstadt then worked on the Connelly's taxes but requested additional information. When Eisenstadt was finally done, she told Connelly her refund was \$5,094. The bill, including filing the Connelly's taxes, was \$400.

But, three different refunds for the same family? Michael Dobzinski, an IRS spokesperson, told 10 Connects he was not surprised by the results. He cited three reasons as to why the refunds may have differed.

First, he said refunds can vary depending on how aggressive the tax preparer gets. Second, Dobzinski said human error can lead to different results. Finally, he admitted the 80,000 page tax code itself is complicated, which leads to differing interpretations.

"The bottom line, though, is the taxpayer is ultimately liable for what goes on that tax return and they need to be careful when they do choose a tax preparer," Dobzinski said in a phone interview.

Eisenstadt added that different questions can also lead to additional information and, ultimately, different tax results.

For example, Eisenstadt asked Susan specifically about mileage related to her work with The Pampered Chef. She discovered Susan used her car more in the second half of 2008 for work related to the Pampered Chef, which resulted in a slightly bigger refund because the mileage rate increased during the year.

In the end, the Connelly's decided they wanted their taxes filed with the CPA and would likely consult one in the future.

"If I find out anybody that I know does their own taxes, I'm going to say 'You have got to be kidding,' and I'm going to tell them about this experience," Susan said.

Susan said she felt comfortable and confident in the work performed by Eisenstadt.

"She [Eisenstadt] never looked at me with a blank face when I asked her a question. She didn't have to call a manager over, so I feel real confident that this [tax return] is correct."

The Connelly's were pleased with their \$5,094 refund, but Eisenstadt also told them they could have gotten more money back if they had done two things in 2008.

First, she said if the Connelly's had contributed to a standard \$5,000 IRA last year, they could have gotten another \$750 back from the government. Eisenstadt says that's why it's important to talk with your CPA year round, to start planning for next year's taxes.

Secondly, Eisenstadt says if the Connelly's had doubled up on their property taxes and some of their contributions last year, they would have been able to itemize their deductions, netting the family another \$75 to \$100. In other words, Eisenstadt says, the family does not have enough to itemize each year, but if they paid their taxes twice in the same calendar year they would have enough and, therefore, could alternate each year between standard and itemized deductions.

But, even Eisenstadt warns that a CPA is not for everyone. She says if your taxes are simple enough the best person to prepare your taxes could be you. It's just that not checking or asking around could result in less money in your pocket.

Preston Rudie, 10 Connects