



New for 2012 Income Tax Returns: The Virginia Tax Refund Debit Card

The Virginia Department of Taxation is implementing a significant change in the way individual income tax refunds are issued, and we want to make sure you have the information you need to choose the best way to receive your 2012 refund.

As required by the 2012-2014 Appropriations Act, there will be two options on 2012 returns for receiving individual income tax refunds - direct deposit or debit card. Both paper and software versions of the individual income tax returns will require that one of these two options be selected. Requesting a paper check in preference to direct deposit or a debit card will not be an option. The following information will help you understand the new debit card.

Why was the law changed? The Department of Taxation issues over a million income tax refund checks each year. The switch to debit cards will save the Commonwealth of Virginia money by reducing check printing and mailing costs. The Department of Treasury has partnered with Xerox State and Local Solutions, Inc. to administer the tax refund debit card program at no cost to the Commonwealth. Issuing debit cards to individuals who do not choose direct deposit on their 2012 returns will reduce the Treasury's annual costs by \$200,000.

What are the benefits of each option for Virginia taxpayers? Direct deposit is still the fastest method for receiving a refund, provided accurate bank account information is entered on the return, so be sure to check your bank information carefully before filing your return. For individuals who prefer not to use direct deposit, the refund debit card offers a more secure and convenient alternative to paper checks that also lets the recipient avoid check-cashing fees.

How can I be sure the Virginia Tax Refund Debit Card is secure? The Virginia Tax Refund Debit Card is the equivalent of a bank account with a MasterCard® bank, and is protected by federal and state banking laws. The card itself can be activated only by using the recipient's identifying information, including social security number and date of birth. (**Note:** This is why it is important to enter an accurate date of birth on your 2012 income tax return.) Once activated, the card can be used only with a personal identification number (PIN) chosen by the recipient.

How can the debit card be used? The card can be cashed at any MasterCard® bank, or it can be used like a regular debit card at retail stores and ATMs, or to make transactions online. Unlike some types of debit cards, the Virginia Tax Refund Debit Card is valid only until the refund amount has been exhausted. The card cannot be reloaded.

Are there fees associated with using the debit card? Many transactions are free, such as a one-time withdrawal of funds or cash back with a purchase, but there are fees for some other transactions. A complete fee schedule is available on our website.

How will debit cards work for a joint refund? In the case of a joint return, a debit card will be issued to each spouse to enable both spouses to access their joint refund. The refund itself cannot be divided between the spouses. Instead, the couple will access their funds as they mutually agree, just as they would have done with a paper check.

Where can I get more information about the Virginia Tax Refund Debit Card? We will continue to add information to our website, including Frequently Asked Questions, links to the Xerox website and other helpful resources.

Visit Us Online at www.tax.virginia.gov

Ask for assistance, file returns, make payments, and access debit card updates and tax information, 24 hours a day.

