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New Year; New Changes to Taxes

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(ABC 6 NEWS) -- With the new year comes a few new changes to your taxes.

When January first hits, it usually marks the beginning of tax season, but this year may be a little different.

"People that itemize their deductions will have to wait until mid-February to file and people with a tuition deduction, they'll have to wait," said certified public accountant, Andrea McNeely.

People that fall into those categories aren't the only ones that might have to wait.

"Still waiting on some of those W2's yet," said Brownsdale resident, Paula Pike.

Places like the Austin Public Library, that usually carry some of these tax forms haven't received them yet.

"The IRS has stopped handing out forms. At least not mailing them to people anymore because there's so many people that file online, do e-file and they just look up their information on the IRS website," said McNeely.

Web sites like Turbo Tax and H&R Block offer software online to try to help you maximize your return.

And Andrea McNeely, a CPA, with Johnson and Doerhoefer Public Accounting in Austin, says 90% of the tax returns they deal with are e-filed.

McNeely says, "It's much faster, just less hassles. You don't have to pay postage to mail them in and we'll see refunds last year turn around in five days."

Filling the state's multi-billion dollar budget gap also looms large for political leaders so some have proposed a 4th income tax bracket targeting the richest Minnesotans, which may or may not help solve the problem.

"Especially with our businesses, if you're taxing those big businesses it leaves less for them to put into the jobs that they do offer," said Pike.

Here's some other numbers that might interest you. According to the Institute on Taxation and Economic Policy, the state's lowest earners pay about 9 percent of their income in state and local taxes.

The state's highest earners pay just less than 8 percent.