

2017 Tax Return Tracker #6

- 1) The Internal Revenue Service (IRS) tracks tax return filings on a weekly basis.
- 2) As of March 24, the IRS had received 85.3 million tax returns, down 4.7% year over year.
- 3) A total of 68.3 million refunds had been issued as of March 24 (down 3.4% year over year), totaling \$198.0 billion (down 2.4% year over year) and averaging \$2,897 each (up 1.1% year over year).
- 4) The decline is likely due to a delay of tax refunds, as a result of the enactment of the Protecting Americans from Tax Hikes Act (PATH Act), which mandates the IRS to withhold tax returns until mid-February in an effort to improve tax fraud detection.
- 5) Only 6% of adults are expected to splurge on activities such as going on vacation or shopping with their tax refund, according to a report by Bankrate, a consumer financial services company.

In exchange for a small portion of American tax dollars, Uncle Sam (through the IRS) keeps citizens updated on the number of returns filed during tax season.

It is worth noting that year-to-year data released at this stage of the year only paints a partial picture, as the 2016 data includes four more processing days, contributing to the higher-than-usual year-over-year percentage change. Furthermore, as it is still early in the filing season, there is likely more variability to the data.

As of March 24, 2017:

- The IRS had received 85.3 million tax returns, of which, 83.0 million have been processed. The number of returns processed was down 4.5% from the corresponding year-ago date.
- Of the returns filed, 92.3% were electronically filed. Of those, 54.8% were prepared by tax professionals and the remaining 46.6% were self-prepared.
- Fewer people are using the IRS website to get information: the site logged about 246.4 million visits, down 5.6% from the year-ago period.
- A total of 68.3 million refunds have been issued, totaling \$198.0 billion and averaging \$2,897 each. The number of refunds issued was down 3.4% and the total amount refunded was down 2.4% year over year, while the average refund is up 1.1%.
- Of those refunds issued, 88.1% were paid using direct deposit. The average direct deposit refund was \$3,044, up 0.9% from the corresponding date last year.
- The decline is likely due to a delay of tax refunds, due to the enactment of the PATH Act, which mandates the IRS to withhold tax returns until mid-February in an effort to improve tax fraud detection. The pace of refunds, however, continues to pick up. The year-over-year changes have since dropped from a mid double-digit difference in Tax Return Tracker #1 published four weeks ago, to a low single-digit difference now.



TAX RETURN 2017

Figure 1. 2017 Filing Season Statistics

Cumulative Statistics Comparing March 25, 2016 and March 24, 2017

Calendar year-to-year comparisons are difficult at this early stage in the season, as four additional days of tax return processing are included in the 2016 totals. However, when comparing the same number of days of filing, the IRS is seeing an increase in returns received and accepted this year compared to 2016.

Individual Income Tax Returns	2016	2017	YoY Change
Total Receipts	89,412,000	85,251,000	(4.7)%
Total Processed	86,914,000	82,966,000	(4.5)%
E-Filing Receipts			
Total	82,787,000	79,125,000	(4.4)%
Tax Professionals	46,100,000	43,395,000	(5.9)%
Self-Prepared	36,687,000	35,730,000	(2.6)%
Web Usage			
Visits to IRS.gov	261,025,110	246,382,030	(5.6)%
Total Refunds			
Number	70,786,000	68,348,000	(3.4)%
Amount (USD Bil.)	\$202.873	\$197.983	(2.4)%
Average Refund	\$2,866	\$2,897	1.1%
Direct Deposit Refunds			
Number	61,844,000	60,194,000	(2.7)%
Amount (USD Bil.)	\$186.550	\$183.210	(1.8)%
Average Refund	\$3,016	\$3,044	0.9%

Source: IRS

Bankrate commissioned Princeton Survey Research Associates International to conduct its Money Pulse survey of 1,001 US adults who expect to receive a tax refund, to inquire about how they plan to spend their tax return this year. The survey found that the most popular uses of money among respondents are to save or invest, at 34%. Some 29% of the respondents will spend their tax return on necessities such as food or utility bills, while 27% will use the refund to pay down debt. Just 6% of the respondents are expected to splurge on activities such as going on vacation or shopping. The percentage of respondents indicating a desire to save and invest, and spend the refund on necessities are at the highest level compared to the same survey conducted in the past four years. At the same time, the number of respondents who said they would use their refund to pay down debt has declined seven percentage points over the past two years, and subsequently dropped to a new low.

Some 47% of all taxpayers anticipate a tax refund this year. Millennials are leading the pack at 66%, Gen X at 49%, Baby Boomers at 34% and Silent Generation (people born between 1925 and 1945) at 26%, in terms of those expecting a tax refund. Overall, around 25% of American adults had already filed for this year's tax return, according to the mid-February figure. Some 29% who have yet to file say they will wait until April 1 or later, while another 11% are not sure if they will complete this year's tax return altogether.



TAX
RETURNS
2017

Deborah Weinswig, CPA

Managing Director
Fung Global Retail & Technology
New York: 917.655.6790
Hong Kong: 852.6119.1779
China: 86.186.1420.3016
deborahweinswig@fung1937.com

Matthew Lee
Research Assistant

Hong Kong:

8th Floor, LiFung Tower
888 Cheung Sha Wan Road, Kowloon
Hong Kong
Tel: 852 2300 4406

London:

242-246 Marylebone Road
London, NW1 6JQ
United Kingdom
Tel: 44 (0)20 7616 8988

New York:

1359 Broadway, 9th Floor
New York, NY 10018
Tel: 646 839 7017

FungGlobalRetailTech.com