

Tax Tip: Are You Overpaying Uncle Sam?

Ingram Publishing/Thinkstock(NEW YORK) -- Are you giving too much of your hard-earned money to Uncle Sam?

Last year, 109 million taxpayers overpaid on their taxes, and the Internal Revenue Service doled out more than \$305 billion in refunds that averaged more than \$2,700 each.

"First of all, I think it's in our nature that we like refunds," says Tom Wheelwright, CEO and founder of CPA firm ProVision. "I think that's one reason [taxpayers] overpay their withholding, is because they're planning on that. It's forced savings for them."



Getting a lump sum back after you file your taxes is better than paying, but perhaps not if you're struggling month-to-month to make ends meet.

Wheelwright says instead of just cutting costs, consider cutting the amount you're giving the government through your paycheck.

"The reality is if you want to put more cash in your pocket, the easiest and fastest way to do that is to reduce your taxes," he says.

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