

News Releases

- State Tax Refunds No Longer Offered by Check
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State Tax Refunds No Longer Offered by Check

~ Direct Deposit, Prepaid Debit Card Are the Only Options Available ~

RICHMOND – If you usually receive your state tax refund by check, you'll have to choose a new option.

The 2012-2014 Appropriations Act approved by the 2012 General Assembly eliminated paper refund checks to save money for the Commonwealth of Virginia. The state issued over 1.2 million refund checks last year, and will save about \$200,000 in printing and mailing costs annually under the new law.

Most Virginians have their refunds deposited directly into their bank accounts. This is the fastest way to get your refund, especially if you file your return online.

Individuals who prefer not to use direct deposit will receive a prepaid debit card loaded with their refund amount. The new Virginia Tax Refund Debit Card is a more secure and convenient alternative to receiving a refund check in the mail, and eliminates check-cashing fees.

A division of Xerox Corporation will administer Virginia's debit card program at no cost to the state. The refund will be held in a bank account at a MasterCard® bank so both the funds and the debit card are protected by state and federal laws. The card is activated by phone or online using personal information that only you should know, and you will create a PIN, or personal identification number, for use with the card.

"Most individuals prefer to have their refunds deposited directly into their bank accounts because it's the easiest, fastest way to get your money," said Tax Commissioner Craig Burns. "For those who don't use direct deposit, debit cards are a secure alternative that provide cost savings for the Commonwealth."

The card can be used like any debit card to make purchases in stores or online, to pay bills, to get cash back at the point of sale, or to receive cash at an ATM. You can also transfer the funds to your own account or get your entire refund amount in cash at any MasterCard® bank. While you will be able to access your entire refund without cost, there are fees associated with some services and transactions. Anyone considering receiving their tax refund by debit card should review the fee schedule on the Department of Taxation's website at www.tax.virginia.gov, which also includes frequently asked questions and other information about the debit card program.

The Virginia Tax Refund Debit Card cannot be used after the refund amount is gone. You will receive a new debit card for future refunds, unless you choose direct deposit. Joint filers will receive two debit cards that draw from a single joint refund account. The Department cannot split a refund amount into separate accounts.

Several other states are already using debit cards for tax refunds.