

DAILY NEWS

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Paying taxes is bad enough

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They're called Refund Anticipation Loans - cash advanced by tax preparers against what you expect your refund might be - and maybe they sound like a good idea to you if things are a little tight. But they aren't a good idea. They are, in fact, a terrible deal.

With tax season approaching, thousands of New Yorkers will be paying to have their taxes done - and many will be offered refunds on the spot. But, in exchange, they will be charged exorbitant interest on the money. And that makes these RALs a very bad bargain - especially for those at the lower end of the income scale, the very people at whom they're squarely aimed.

These grotesquely overpriced RALs are taking a huge citywide toll, harming not only individual families but entire communities. A report by the Neighborhood Economic Development Advocacy Project, a consumer-rights organization, found that tax-prep companies collected a staggering \$324 million in fees and interest from New Yorkers between 2002 and 2005.

And most of that money, the overwhelming majority of it, was extracted from low-income neighborhoods in the South Bronx, central Harlem, southeast Queens and central Brooklyn.

That's cash that working families who are eligible for the Earned Income Tax Credit could have kept for themselves, simply by calling 311 and asking for a tax preparer who won't charge a penny.

It's just plain simple wisdom to stay away from loansharks in this world. The RAL is not your friend. It's far better to get your taxes done for free and to wait a couple of weeks for a check.

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