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Individual tax refunds in 2011 are running well below the pace set in the past two years. In 2009 and 2010, individual refunds totaled \$280 billion and \$295 billion, respectively. This year, they are running at a \$225 – 250 billion pace. However, tax law changes enacted late last year caused the IRS to delay accepting and processing returns claiming itemized (and certain other) deductions until February 14. The IRS anticipates a large volume of new filings this week, because many tax preparers held returns until the IRS systems opened. There is no reason to expect refunds to be less this year than last, so we anticipate acceleration in refund payments over the next few weeks. Since most returns are filed electronically and refunds are deposited directly in taxpayers' accounts, processing time has become very short.

Business refunds are also running below last year's pace. Currently, they are on track to total about \$45 billion vs. \$52 billion in 2010 and \$57 billion in 2009. However, business filings have also been delayed, and the IRS is still not accepting non-1040 tax forms. Between the change in timing and the change in tax provisions, it is not clear what business refunds will be at the end of the tax season.

<b>Individual Refunds</b> (millions of \$, cumulative)				
	2011	2010	2009	2008
Week 2	840	1,524	586	310
Week 3	1,018	1,756	622	364
Week 4	13,597	16,663	12,798	6,452
Week 5	32,394	40,835	35,110	15,964
Week 6	60,317	77,529	68,165	36,564

<b>Business Refunds</b> (millions of \$, cumulative)				
	2011	2010	2009	2008
Week 2	3,740	4,764	2,805	1,604
Week 3	4,360	5,764	3,947	2,278
Week 4	6,692	6,402	5,683	3,774
Week 5	8,311	9,466	7,843	4,816
Week 6	9,562	12,135	10,066	5,832

\* Tax refund checks are generally mailed (or electronically transferred) on Friday of each week. Data are then reported the following Monday or Tuesday.

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