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UPDATE POST



How to Spend Your Tax Refund

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In 2013, the average filer's tax refund was a whopping \$2,755. A fat check like that gives the average family a whole lot of cash to spend as they see fit. Of course, the smartest ways to use it may not be the most fun but they will give you the biggest benefits in the long run. Read on for our tips to make the most of a hefty refund.

Put it in a Roth IRA

Since Roth IRA contributions cannot be deducted on your taxes, it can be a lot harder to come up with enough after-tax income to sock away \$5,500 a year. But a fat tax refund can go a long way to ensuring your long-term financial welfare.

Make an extra loan payment

Take a look at the interest rates on your mortgage, car payment, credit cards, or student loans, and apply

the money toward the one charging you the most on your balance. Bonus points if you can wipe out the debt entirely.

Start a rainy-day fund

An emergency fund is a safety net, a cushion, peace of mind — pick your metaphor — that provides you with accessible cash in the event of job loss, unexpected car repairs, big medical bills, and any other strokes of bad luck. If you don't have one, consider yourself lucky that you haven't needed one yet, and then take your government check and tuck it away into savings in case you ever do.

Put it toward tax-deductible purchases for 2013

Got a home office? Spend the money on new furniture or equipment and you can deduct the cost on next

year's taxes. Or make a nice donation to charity. There are lots of ways to spend money that will help your tax bill next year.

Bring home a bigger paycheck

If you're getting a big percentage of your income back in a refund, you're paying way too much in taxes every month. Rather than loaning that money to the government, talk to your company's accounting department to increase your federal allowances on your W-4 form. Yes, it means your refund will be smaller next year, but you'll bring home more bacon in every paycheck.