

TAX TIPS

Facts On Filing Tax Extensions Without Paying A Penalty

(NAPSA)—There's good news, bad news and better news for people who can't file or pay their taxes on time.

The good news: Just because you can't file your tax return by the April deadline (the 18th in 2017) doesn't mean you'll be in trouble with the IRS. You can request an automatic six-month extension of time to file the tax return.

There are several ways to request an automatic extension. Tax professionals can file the application, which can be found on the IRS website (look for Form 4868), printed and mailed to the IRS or e-filed. Whether taxpayers use a tax professional or submit the application themselves, all or part of the estimate of the income tax due can be paid with a check, credit or debit card or by using the Electronic Federal Tax Payment System.

The bad news: But beware, there is a catch. An extension is just an extension on the time to file the return; it's not an extension on the time to pay.

Taxpayers are required to estimate the amount of tax that may be due with the tax return and remit payment with the extension to avoid Failure to Pay penalties. These penalties, plus interest, could accrue until the tax is paid, regardless of the extension. If a balance is still owed when the actual tax return is filed, at least the penalties and interest will have been minimized.

If it turns out you owe more money than you can pay, try to file on time or file for an extension and remit as much as possible to minimize penalties. Payment plans may be worked out later.

If you get a notice from the IRS at



You may not have to file your income tax form in April. Professional preparers can help you get an extension.

any time, contact your tax preparer immediately. If you didn't have someone prepare your return, you should contact a licensed tax professional.

The better news: You can get help before and after you file from the only federally licensed tax practitioners, enrolled agents (EAs). EAs, considered America's tax experts, have unlimited rights to represent you before the IRS. Enrolled agents are so called because one can act as your "agent" before administrative levels of the IRS and talk to or meet with the IRS in your stead. EAs must abide by a code of ethics and complete many hours of continuing education each year to ensure they are up to date on the constantly changing tax code.

To find an enrolled agent nearby, visit the searchable "Find a Tax Expert" directory at www.eatax.org.