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When to Ask for an Extension to File Your Tax Return

ALEXANDRIA, VA, April 9, 2013 – Every year, millions of taxpayers think that tax day will never come.

This year it's Monday, April 15, and if recent years are any indication, many more than 10 million taxpayers won't be ready to file federal and state returns.

The first step in filing for a federal income extension is filling out Internal Revenue Service (IRS) Form 4868, available on irs.gov and which asks for basic information and an estimate of what a taxpayer might owe for 2012.

However, any taxed owed must be paid at least in part by April 15, and penalties and interest may accrue on taxes paid after that date. Taxpayers may also pay all or part of an estimate of tax due using a credit or debit card or by using the Electronic Federal Tax Payment System at irs.gov. Form 4868 may also be filed electronically or through regular mail.

The National Society of Accountants (NSA) notes that professional tax preparers can advise you further on IRS requirements.

The IRS also has a list of state tax sites at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/State-Links-1>, and is offering late-payment penalty relief to individuals and businesses requesting a tax-filing extension because they are attaching to their returns any of the forms that couldn't be filed until after January. A list of the eligible forms is at <http://www.irs.gov/pub/irs-drop/n-13-24.pdf>.

Taxpayers can also ask their tax preparer to complete Form 4868. A recent NSA survey found that nearly two-thirds of tax preparers don't charge any extra fees for filing extensions. For those that do charge a fee, it averages \$40.59 in addition to the fees for preparing the return itself. Preparers can also best advise a taxpayer if their situation is sufficiently complex to warrant an extension.

Common expenditures that might make it sensible to file for an extension can include:

- Never receiving or being unable to find 1099s, W-2s or other documents with information needed to file, also including or letters or receipts confirming charitable contributions and documents for confirmed tax bases for securities or assets that have been sold.
- A clerical error in the tax year resulted in faulty tax documentation that requires additional time to correct.
- An error is discovered on a prior year return and more time is needed to research and correct it – and the current return might be affected by the change.
- Converting 2012 IRAs (a tax preparer can advise best on this), or opening and/or funding certain pension plans.
- The extension is for a gift tax return where not all the issues are clear.

With the right kind of help from a tax professional, you can more easily navigate the proper process for filing an extension for federal, state and local taxes. For more information and to find a qualified tax preparer in your area, visit www.nsacct.org.

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