



2021.22 Training

Subject: Tax Extensions | Talking Points

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Find out what you need to do to file a tax extension, including when your taxes will be due and whether there are penalties for filing late.

You started the year determined to get your tax return completed way before the deadline. Then life happened, and filing your taxes almost became an afterthought. Whatever the reason: If you want an extension to file your income taxes, the IRS will give you one, no questions asked. The beauty of the tax extension is that it gives you more time to file your taxes, but don't be late filing the extension itself.

You MUST file for an automatic six-month extension, Form 4868, by April 15, in order to have your deadline pushed back to October 15.

What is a tax extension?

A tax extension is a way for taxpayers to get more time to file their taxes, up to six months.

What is the penalty for filing your taxes late?

Remember, an extension doesn't delay payment if you owe money. If you don't pay your taxes by the tax deadline on April 15, you can get hit with penalties. Delays get expensive — interest is compounded daily and penalties are calculated monthly on any remaining balance until you pay your taxes in full or reach the maximum penalty.

The penalty for filing late is:

- The penalty for paying late is five percent for every month that the outstanding tax is not paid.

- The maximum penalty for paying late is 25 percent of the total.
- After 60 days, the minimum penalty is \$205 or 100 percent of the balance due, whichever is smaller.

Do I have to pay my taxes by the last day of tax season if I file an extension?

Yes. Filing a tax extension keeps you in good standing with the IRS on the forms side, but a tax extension doesn't grant you more time to pay what taxes you owe beyond the tax due date. However, don't let your inability to pay prevent you from filing on time; avoiding filing your return because you can't make a tax payment will only make matters worse. An [IRS Installment Agreement](#) is generally a much better choice.

Do I need to file a tax extension?

If you will be unable to complete your tax return by the end of tax season on April 15, yes, you need to file an extension. There are some people, however, who might not need to worry about filing an extension at all. If you are one of these groups, you do not necessarily need to file an extension:

- If you're a US citizen or resident who lived and worked outside of the country on the April deadline, you get an automatic two-month extension, to June 15, to file your return without having to request a tax extension. You must still pay the taxes by April 15 if you have a balance due.
- If you were in a federally declared disaster area this year, you may get more time to file (the time varies; check the list of [qualifying disasters](#)).
- If you are a member of the military, you may also get extra time to file and pay if you are in a combat zone for any time during the filing season.

How do I file a tax extension?

If you are doing your taxes yourself, you can visit [IRS.gov](#) and fill out [Form 4868](#) to file a tax extension.