



Trail CPA

# Income Tax Extensions

A **tax extension** is a formal request to the **IRS** for additional time to file your personal or business income tax return. It is **free, easy and automatic**. Trail CPA can e-file this for you for you, avoiding late filing fees.

The important step is to review if a payment should be sent with the extension. If there is a balance due, that needs to be paid by April 15th to avoid penalties on the balance.

## Pros of Filing a Tax Extension:

1. **Time to Prepare Accurately:** Extensions grant you extra time to ensure your tax return is accurate and complete. Additional time is often needed for investment 1099s, K-1s, etc.
2. **Reduces stress:** As a CPA firm, it is impossible to get an entire year of work done in 60-75 days between when you receive your tax docs and the filing deadline. By extending tax returns, we take care of our team and reduce stress for all
3. **Additional time for tax planning & elections:** More time for corrections, planning, and elections that can save taxes.
4. **Self-Employed Retirement Contributions:** If you're self-employed, an extension allows you to contribute to certain retirement accounts (such as a **SEP IRA** or **Solo 401(k)**) until the extended deadline.
5. **It's free and automatic!**

## Important notes:

1. **No Extra Time to Pay:** While an extension buys you time to file, it **does not extend the deadline for paying taxes**. If you owe taxes, you'll still need to settle by the original deadline to avoid penalties and interest. If we receive your tax information in time, we will help to estimate whether a payment is needed.
2. **Not for IRAs:** Unfortunately, you can't use an extension to give yourself more time to fund a **traditional IRA** or **Roth IRA**. These contributions must be made by the original deadline.

Personal 1040 taxes are due April 15<sup>th</sup> (or the next business day if on holiday or weekend). An extension adds 6 months to file, due Oct 15<sup>th</sup>.

Business taxes are due March 15<sup>th</sup> for 1065 & 1120S, April 15<sup>th</sup> for 1120, and May 15<sup>th</sup> for 990. An extension adds 6 months to file.

If you have any hard deadlines, please let us know and we will do our best to accommodate.

Feel free to reach out if you have any other questions!