



Professional Service with a Personal Touch
Accounting • Tax • Financial Planning

CWR Monthly

April 2011

Late Filing Season Tax Tips

Although the regular tax filing season is nearing completion, the IRS has provided some last minute things you can do to assist you in preparing your 2009 tax return. Some of these tips apply to the 2009 tax year, whereas, others would be applicable in preparing your 2010 tax return.

1. Extension of time to file your tax return

If you are coming up to the end of the regular tax filing season (April 18) and you still do not have all the information to accurately file your tax return, individuals can receive an automatic six month extension to file your tax return by filing a Form 4868 (Application For Automatic Extension of Time to File U. S. Individual Tax Return). This extension waives the failure to file penalty that you would be assessed by not filing your tax return in a timely manner.

Please understand that an extension to file is not an extension to pay. If you subsequently owe a tax liability when you file your return, interest will continue to accumulate on the amount due until the tax is paid.

Certain businesses and others file a Form 7004 for an automatic extension of time to file their tax returns. The following entities qualify for:

- Automatic 5 month extension

Partnerships (Filing Form 1065)
Estates & Trusts (Filing Form 1041)

- Automatic 6 month extension

C Corporations (Filing Form 1120)
S Corporations (Filing Form 1120 S)
Estates (Filing Form 706)

2. Tax Scams – How to recognize and avoid them

To help the public recognize and avoid illegal tax schemes, the IRS offers an abundance of educational materials. Participating in an illegal scheme to avoid paying taxes can result in imprisonment and fines, as well as the repayment of taxes owed with penalties and interest. Education is the best way to avoid the pitfalls of these “too good to be true” tax scams. Some of the most common Scheme Types are:

- Anti-tax law schemes
- Abusive Home-Based Business Schemes
- Misuse of the Disabled Access Credit
- Abusive off-shore Schemes
- Employee Plans abusive tax transactions
- Exempt organization abusive tax avoidance transactions

Next month we will look at some tax planning strategies that will benefit you as prepare for the 2011 tax filing season.

Till next time,

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