

Extensions have often had a bad reputation and have been seen as something to avoid. In these days that Form 1099's and K-1's are not completed until late March or even September, extensions are inevitable.

An extension may be desirable. Let us explain.

As tax information comes to you and in turn to us, timing is critical. No matter how well staffed an office is, if every client sends their tax documents on March 20th, completing all the returns with the care and expertise we as professionals set as a standard, it is impractical by April 15th.

WHAT DOES AN EXTENSION DO:

- It extends the time for you to file your Individual Tax Return until October 15th.
- It allows us to take time to review your tax situation and provide planning ideas while not being under pressure to rush the return out by April 15th.

WHAT AN EXTENSION DOES NOT DO:

- It does **not** extend the time to pay. In other words, we will project your tax liability with the information we have on hand and determine an estimate of what your tax liability is. This must be paid by April 15th.
- It does **not** increase your likelihood of being audited by the IRS.

EXTENSION PAYMENT AND 1ST QUARTER ESTIMATE (SOMETIMES 2ND ALSO):

- The 2025 estimated tax liability for the tax return is due April 15th with the extension.
- The first quarter estimated tax payment for 2026 is due April 15th.

In lieu of making two payments, we include both payments above in one extension payment. When we file your return, the tax liability and the first estimate is appropriately paid.

Now that you know more about extensions, and the advantages they offer, an extension may be the answer.