



Robert W. Wood

THE TAX LAWYER

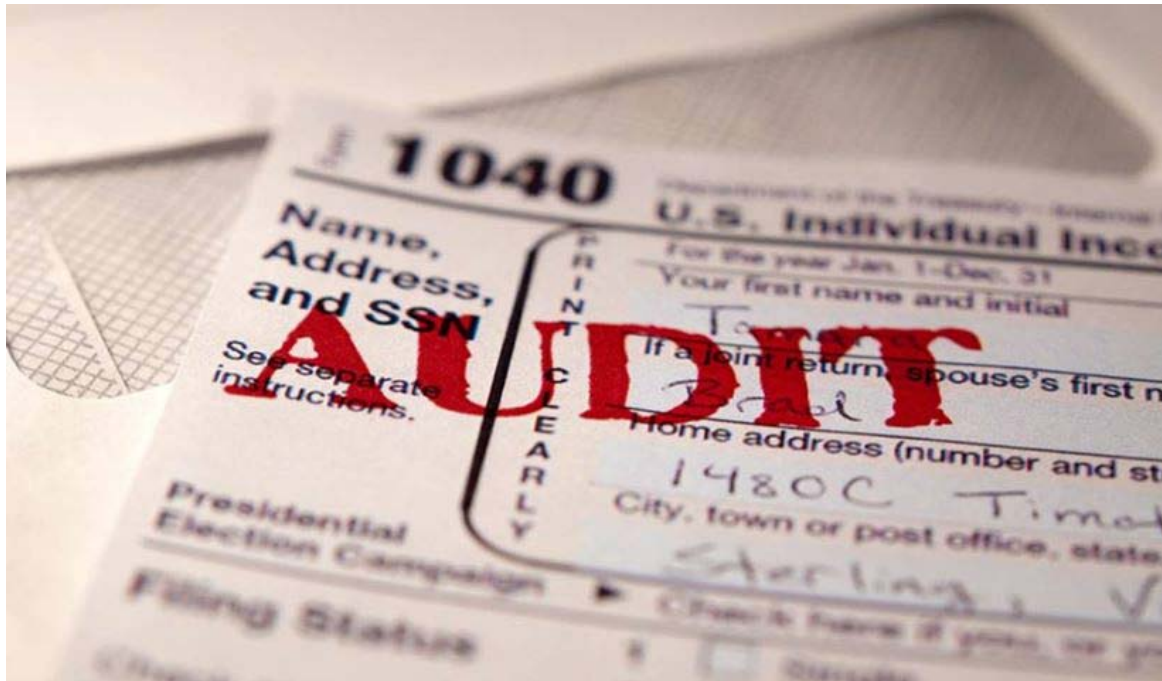
TAXES 2/10/2015

7 Reasons Not To File Your Taxes Early, Even If You'll Get A Refund

If the IRS owes you a refund, you want to file your taxes immediately, right? Not really. In fact, resist the temptation to file until you're *sure* you are ready. You'll save yourself grief and possibly significant money too.

1. Tax returns are like lumber. Measure twice, cut once. The best way not to have to amend is to file your return correctly the first time. Besides, you sign it under penalties of perjury. That means it should be accurate and complete. Filing hurriedly to get a refund telling yourself you'll amend later is a mistake. Give yourself time to consider all the [surprising items the IRS says you must report](#).

2. Allow for slow 1099s. It is February, so it's too late to receive any more Forms 1099, right? Wrong. The 1099 deadline this year was February 2, but many issuers miss the date. Most 1099s arrive by the end of February, when they are supposed to be transmitted to the IRS. Forms K-1 for partnerships, LLCs and S corporations, are often later than their March 15 due date.



Amended K-1s from partnerships, S corporations and LLCs have a particularly bad habit of showing up right *after* you file. Information returns like Forms 1099 and K-1 can dribble in any time. If you're expecting them, you shouldn't file your return until you receive the forms or can reasonably assume you won't. Should you ask the issuer if you are [missing a Form 1099? No, you shouldn't.](#)

3. Try to avoid amending. If you file your return and then receive a 1099 or K-1, what should you do? It depends. You are not obligated to file an amended return, even though the IRS will probably send you a bill based on the revised Form 1099 or K-1 once IRS computers match that form against your [Form 1040](#). IRS computer matches are [why IRS Forms 1099 are so dangerous](#). No amendment should be undertaken lightly. If you forgot a deduction and think you can get a small amount back by amending, think twice before amending.

4. **Be true.** Ask if the return you filed was accurate to your best knowledge when you filed it. If it was, you are probably safe in not filing an amendment even if you later discover a mistake or receive a late 1099. Conversely, if you knew your return was inaccurate when you filed it, you should amend it to make it accurate without delay.

5. **No cherry-picking.** If you amend a return, you can't cherry-pick and only make corrections that get you money back, but not those that increase your tax liability. If you amend, you must correct all errors, not just the ones in your favor. See [Beware Amending Tax Returns](#).

6. Amended Returns Bring Audits. Everyone hopes not to be audited. However, amended returns are way more likely to be audited than original returns. That should factor into your thinking if you want to [reduce your audit risk](#).

7. Interest and penalties. If you do have to amend and your amended return shows you owe more tax than you originally reported and paid, you'll owe additional interest and probably penalties. The IRS will compute the interest and send you a bill if you don't include it. If the IRS thinks you owe penalties it will send you a notice, which you can either pay or contest.

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