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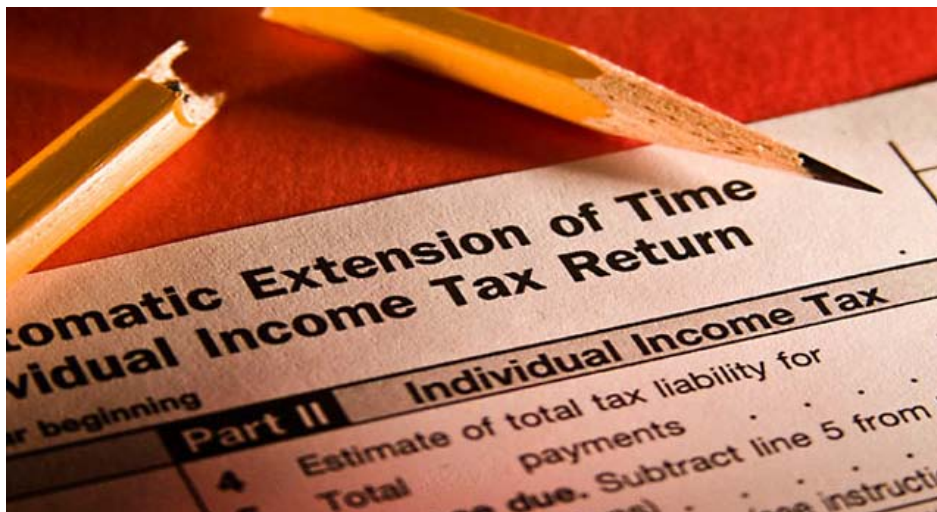
TAXES 4/01/2015

### Despite April 15 Tax Deadline, Five Reasons Filing An Extension Is Better

We're used to meeting deadlines, and few deadlines are more dreaded than the annual rush to April 15th. If you are used to meeting deadlines, you may not want to delay it. You may even feel guilty when you get an automatic reprieve. Don't. There's no shame in an extension, and millions are processed every year.

Everyone with an April 15 deadline can get *six extra months* by filing (electronically or by mail) a tiny form that doesn't even require a signature. You need to pay what you owe—the extension is to file your return not to pay—but there are good reasons to take the extension, including these:

**1. It encourages reflection.** Use the time to gather records, consider reporting alternatives, and get professional advice. After all, tax returns are filed under penalties of perjury. File accurately so you don't have to amend later. Amended returns often come about because people rush. Although there are times you may want or need to amend, use amended returns sparingly. Amended returns are much more [likely to be scrutinized](#). File once correctly so you don't have to do it again.



**2. The extension is automatic.** The IRS doesn't have to approve the extension; there is no discretion involved. You just get the extra six months, period. Extensions used to be four months, with two additional months only if you had a good reason. Now, automatic extensions are six months. But the extension is to *file*, not to *pay*. Make your payment and use the time to make your return accurate and complete.

**3. It allows for corrected Forms 1099 and K-1.** You may be waiting for Forms K-1, gathering documents or seeking professional advice. If there are debatable points on your return, such as whether a [litigation](#) recovery is ordinary or capital, get some professional advice. But even if you have all your forms and are ready, what if you receive a K-1 or 1099 after you file? The earlier you file, the greater the risk you will receive corrections. Going on extension makes it less likely that you will be surprised by a tardy corrected K-1 or 1099. You may as well file once and file correctly.

**4. There's no increased audit risk.** Audit risk is one of those perennial questions that is tough to answer. Do you increase audit risk by going on extension? Many taxpayers worry about [IRS audit](#) risk. Opinions vary and there are many old wives tales about what triggers an audit. However, it is unlikely that [going on extension increases IRS audit risk](#).

By the same token, going on extension probably does not *reduce* your audit risk either. The IRS releases data about audit rates based on income levels and types of tax returns. They do not, however, release data about whether going on extension increases or decreases your chances. Just go on extension if you need the time.

**5. It's easy.** To extend, you can mail a [Form 4868](#), ask your return preparer, use commercial software, or do it yourself electronically. For more guidance, [IRS tax topic 304 covers extensions of time to file your Tax return](#).

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