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THE TAX LAWYER

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### IRS Filing Season Delay

Some people are so incredibly organized they are ready to file their tax returns right away in January. (No, I'm not in this group.) Even if you are, I'd argue that filing that early is usually a mistake. After all, no matter how organized you are, [Forms 1099](#) usually don't show up until the end of January. You want to ensure that your return is complete and accurate. In my book, filing even before Forms 1099 hit can be asking for trouble.

Whether or not you agree with me, eager beavers in the personal tax return filing department have an additional reason to slow down a bit this upcoming filing season. If you file a Schedule A—meaning you itemize deductions—or if you claim above-the-line deductions for higher education tuition and fees or educator expenses, the IRS is asking you to wait until mid- to late-February 2011 to file.

Why? Congress passed the [Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010](#) (the 2010 Tax Relief Act, P.L. 111-312), but not until the very end of the year. As a result, it will take the IRS some time to gear up and program its computers. See the IRS announcement [here](#).

The IRS announced this hold-up with some very specific taxpayers in mind, stressing that everyone else should be just fine and can file early if they like. The people who need to hold off are those claiming:

- Itemized deductions on Schedule A. What's holding things up is the choice to deduct state and local general sales and use taxes instead of state and local income taxes. This election was

extended for 2010 and 2011 (along with the deductions noted below) by the 2010 Tax Relief Act. Because of the late Congressional action, the IRS says anyone who itemizes and files a Schedule A will be affected.

- The above-the line deduction for higher education tuition and fees. This deduction of up to \$4,000 of tuition and fees paid to a post-secondary institution is claimed on Form 8917 (Tuition and Fees Deduction).
- The above-the-line deduction for kindergarten through grade 12 educators with out-of-pocket classroom expenses of up to \$250.

If you're in any of these categories, the IRS asks you to wait to file your 2010 return until mid- to late-February 2011. However, the IRS also said that it will announce a specific date when it can start processing tax returns impacted by the just enacted tax law changes.

What tax forms are affected by Congress' big last minute tax action? Here's a [list](#).

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