

Deadlines and Extensions

- To manage expectations and provide a little more operational transparency (as much as is possible in this constantly changing industry), here is some useful information:
 - Tax returns are generally prepared in the order received – that is, when the file is complete and sent to the Processor to begin. Responding quickly and completely to Maggie/Jen's request for forms and documents will be important for moving your file to the Processor.
 - When the Processor has finished his work and submits the return to me, we will attempt to give you an estimated date of when I will be able to start your return.
 - We will be conservative on the estimated date, to avoid the disappointment of having to inform you that the start date had to be pushed back. Please be patient as we work through this process.
 - I do not sacrifice quality for the sake of speed; therefore, my tax prep times are longer than the local storefront tax prep business or unlicensed tax preparer. Although I use a high-end tax prep software, I don't only rely on the software. Each return requires a follow-up quality review, and I will also be looking for potential 2021 issues to keep you informed. I will give you and your return the same quality of care that I give the other clients ahead of you. If you are uncomfortable with the length of time it will take, please let us know that you will be looking for another tax preparer this year so we can properly archive your files and not bug you with reminder emails.

- I will be using the following deadlines:
 - On 15 Jan, the IRS announced that the opening date for tax season will not be until 12 Feb, a full month later than usual, and two weeks later than expected. We will be working on returns before that date and will submit them to our Software Intermediary who will hold the returns until the IRS opens the e-filing lines. As of now, there is no mention of a changed deadline filing date. The IRS has had a lot of programing to do for all the tax law changes and many employees are still working from home due to COVID restrictions.
 - Since 2018, any tax return with Refundable Credits – Additional Child Tax Credit (ACTC), Earned Income Credit (EIC), or American Opportunity Credit (AOC) – will not be accepted for processing at the IRS until mid-Feb. This year that date is Mon 15 Feb 21. The IRS projects that those refunds will be available the first week of Mar. We will still prepare the returns and submit them as soon as they are completed but be aware that there may be a longer wait time for your refund.
 - The filing deadline for most Business Returns (NOT including Sch C or Sch E) is Mon 15 Mar. For Partnerships and S-Corps, if I have not received your clean Profit & Loss (P&L) Statement and Balance Sheet by Fri 12 Feb, I will file an Extension for you and circle back to work on your files in May. The extended deadline is Wed 15 Sep, except for Estates and Trusts, which is Thu 30 Sep. If I do not have your clean P&L and Balance Sheet and related source documents by Mon 2 Aug, I

cannot guarantee that I will have your returns ready for e-filing by the extended deadline.

- The filing deadline for most Individual Returns is Thu 15 Apr. If you have an overseas address, then the automatic extension deadline is Tue 15 Jun. If your documents are not submitted (completely) to us by Fri 26 Feb, I cannot guarantee that we can file by the 15 Apr deadline, so we will file an extension for you. If I have not started working on your return by Fri 19 Mar, we will file an extension for you. If your e-File Authorization has not been signed by Fri 9 Apr, we will file an extension for you.
- Even though an extension may be filed for you, we will continue working on files in the order received. The purpose of the extension is to preserve your filing rights. For everyone who has not started to send me tax documents by Fri 2 Apr, I must have your signed Engagement Letter before I can file an Extension for you.
- The extended deadline for most Individual Returns is Fri 15 Oct. However, **I will be out of the office 4 – 17 Oct, so my e-filing deadline will be Sat 2 Oct.** If I have not received your completed file by Fri 17 Sep, I cannot guarantee we will be able to file your return by the extended filing deadline.
- The extension is an “extension of time to file the tax return”, not an extension to pay your taxes. If any taxes are owed when the properly extended tax return is eventually filed, interest and penalties will be assessed on the balance due beginning 16 Apr 2021, ~ 0.5% per month. Without a properly filed extension, these penalties increase to 5% per mo. Penalties and interest do not apply if you are due a refund.
- **If you believe you will owe money for 2020 and there is a chance that we will not be filing your return by the 15 Apr deadline, it is important that you consider making an Extension Payment. I recommend using the free IRS Direct Pay service at <https://www.irs.gov/payments/direct-pay>. Select Tax Year 2020 and Extension Payment.** The IRS will treat an Extension Payment as a Request for Extension. Most states offer the same online payment option for Extension Payments. Please send us a copy of the payment confirmation(s) so the payment(s) can be reflected on your tax returns. **If you need assistance calculating the amount to send in for the Extension Payment, the office must receive that request no later than Fri 2 Apr so I have enough time to determine the amount.**
- If you plan to make 2021 Estimated Payments and need assistance in calculating the amount for you first quarter payments, please send us that **request no later than Fri 2 Apr.**