

BEST TAX PRACTICE

Extension – Now What?

Extensions Expire!!!

If your return is *not* filed by the extension deadline - *in the initial year the return is due* - you are no longer “protected” for having filed an extension and can lose tax benefits & credits in addition to risk losing a portion or all of any refund due you.

- **April 15*** - Deadline for taxes owed. An extension is permission to file the tax *return* late; *it is NOT permission to pay any taxes late*. Any taxes paid *after* April 15 are subject to penalties and interest *even though you file an extension*.
- **June 1** - Our tax prep fees reset to the lowest Base Rate (our lowest Base Rate fees are in January, February, June, & July). If you are on extension, **we strongly suggest** that you complete the preparation of your tax return during our Summer Session to ensure the lowest tax prep fees possible and avoid the Fall fee increase (which are steeper than the Spring rate increases).
- **June 30** - If you receive or plan to receive your health care coverage through the Marketplace (Affordable Care Act (ACA) also known as “Obamacare”), you are strongly advised to file your tax return by this date to ensure the time necessary for the taxing authorities to properly calculate any premium assistance (subsidy) that may be available to you.
- **July 31 - 12:00 noon** (Pacific Time) - Deadline for us to receive your material for our *lowest Base Rates*.
- **September 30 - 12:00 noon** (Pacific Time) - Deadline for us to receive your material for the October extension filing deadline.
 - Material received after this time is subject to **significant fee increases** and may require a non-refundable down payment / deposit before we begin work on your return. Any non-refundable down payment / deposit paid will be applied to your final invoice (limitations apply).
- **October 15*** - Extension filing deadline. Any returns that are not yet complete and filed by this date will incur additional preparation fees as well as may require additional non-refundable down payment(s) / deposit(s) (applied toward your final tax prep invoice; limitations apply) for work to continue on the preparation of your tax return.

* When the tax filing deadline falls on a weekend or a holiday, the deadline is the next regular business day.

NOTEWORTHY: - Many people lose out on tax benefits by not filing their tax return in the year in which it is initially due.

BEST TAX PRACTICE - File your tax return by the extension deadline in the year in which the tax return is initially due.

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Much like airline tickets that cost more the closer to your departure that you purchase your ticket, so it is with tax preparation - the closer to a filing deadline - the higher the preparation fees (and even then, our September & October fees are significantly higher than our March & April fees).

Base Rate - is determined by the calendar combined with your filing status (Single, Married, dependents, etc.). You have the greatest control in determining your Base Rate by getting all of your material to us as soon as you can.

Over Base fees – are things **not** included in the Base Rate and are **NOT** calendar sensitive. If an Over Base item is \$12, it is \$12 on February 10, March 10, April 10, or October 10.

Our Base Rate fees on February 10 are lower than they are on March 10 which are lower than are the April 10 fees which are lower than the fees on September 10 which are lower than they are on October 10! Our lowest Base Rates are in January, February, June, & July.

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