

# P+P TAX TIP: FILING EXTENSIONS

## Overview

People who can't file their 2023 tax return by Tax Day can file Form 4868 to request an extension of time to file, which gives them until October 15, 2024 to send their return. Minnesota does not require an additional submission.

Even when filing an extension, taxpayers are still expected to pay their balance due by April 15. If they are unable to do so, they will have interest and penalties added to the tax due, but filing an extension means they won't have a penalty for filing late.

**Important takeaway:** Form 4868 automatically grants an *extension to file* the return, *not an extension to pay* taxes owed.

## Tax Day and tax deadlines

Tax Day on April 15 is an important deadline for taxpayers with a balance due, because filing late with a balance due means penalties and interest will be added to the amount owed and a penalty for filing late will be assessed.

For people who have a refund coming, Tax Day is less critical. There's no penalty for claiming a refund a little late, however they do expire after a three-year grace period. Refunds for 2020 income tax returns expire on April 15, 2024.

August 15, 2024 is the filing deadline for 2022 Minnesota property tax refunds. These have a one-year grace period for late refund claims. This summer is the final date to claim a **2022** property tax refund. (**corrected! Original tip said 2021!**)

### **P+P volunteer tax manual Tax Day update!**

Throughout the 2023 P+P volunteer tax manual, Tax Day is incorrectly listed as April 17, 2024. Correct your manual on these pages: Page 34 (first paragraph), Page 94 (under Contribution to an HSA), Page 97 (first paragraph under intro box), Page 111 (first paragraph under intro box), Page 111 (in the callout box), and Page 181 (under prior-year refund expiration).

## Extensions for P+P customers

You should advise filing an extension if the customer can't file by Tax Day and fits into one of the situations listed below.

- Will have a balance due or might have a balance due
- Will apply for an ITIN (for the taxpayer, spouse, or a dependent)

Provide the customer with a printed Form 4868 to mail in. Use the instructions on the next page to give some guidance on how to fill it out, send it in, and make a payment.

It is possible to electronically file an extension form through TaxSlayer, however, as a general rule, we will not do so. Most of the time, you'll identify that a customer needs to file an extension prior to starting preparation, and providing a paper extension form is a more efficient way to send it in.

# Tips for filling out for Form 4868

<b>Form 4868</b> Department of the Treasury Internal Revenue Service		<b>Application for Automatic Extension of Time          To File U.S. Individual Income Tax Return</b>		OMB No. 1545-0074  <b>2023</b>
For calendar year 2023, or other tax year beginning _____, 2023, and ending _____, 20____.				
<b>Part I Identification</b> <b>1</b> Your name(s) (see instructions)  Address (see instructions)  City, town, or post office      State      ZIP code			<b>Part II Individual Income Tax</b> <b>4</b> Estimate of total tax liability for 2023 . . . . . \$ <b>5</b> Total 2023 payments . . . . . <b>6 Balance due.</b> Subtract line 5 from line 4. See instructions . . . . . <b>7</b> Amount you're paying (see instructions) . . . . . <b>8</b> Check here if you're "out of the country" and a U.S. citizen or resident. See instructions . . . . . <input type="checkbox"/> <b>9</b> Check here if you file Form 1040-NR and didn't receive wages as an employee subject to U.S. income tax withholding . . . . . <input type="checkbox"/>	
<b>2</b> Your social security number <b>3</b> Spouse's social security number			For Privacy Act and Paperwork Reduction Act Notice, see instructions later.      Cat. No. 13141W      Form <b>4868</b> (2023)	

Provide basic contact information and Social Security number or ITIN. Include spouse information if filing jointly.

**Line 4:** An estimate of tax that will be calculated on the tax return.  
 The Total Tax line on the prior year Form 1040 is a good way to make an estimate for this line. If a current year 1040 tax return is prepared but cannot be sent yet, line 24 is the best way to estimate tax liability. Taxpayers who do not expect to owe but wish to file an extension can enter \$0.

**Line 5:** Amount of tax already paid in withholding (or with estimated payments).  
 Add the amount in Box 2 on all W-2 forms with any estimated payments and federal tax withheld listed on any 1099 forms. If a current year 1040 tax return is prepared but cannot be sent yet, line 33 is the best way to estimate total payments.

**Line 6:** The difference between the estimated tax liability and the amount already paid.

**Line 7:** Amount that will be paid with the extension (this amount can be \$0).

**Lines 8 and 9:** If situations apply, use Form 4868 instructions.

**Minnesota Mailing Addresses**

If mailing <u>only</u> Form 4868: Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0045	If mailing Form 4868 <u>with a payment</u> : Internal Revenue Service PO Box 931300 Louisville, KY 40293-1300
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