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her tax bill at the time of filing. Here's what you need to know.

Sep. 26, 2017

Whether you need to file a tax return or not depends on your gross income, filing status and age. Generally, you're not required to file a return if you're under the filing threshold which is the combination of your standard deduction and exemption amounts. You may still need to file a return to get money back due to over withholding or a refundable credit. (See [Publication 17](#))

There are situations where the taxpayer isn't able to file a return by the April 15 deadline, has failed to file a return this year or in the past and is not able to pay his or her tax bill at the time of filing. Here's what you need to know.

### **I can't file my return on time**

You're allowed to get an automatic six-month extension if you file Form 4868 by April 15<sup>th</sup>, the due date of your return. Instead of filing Form 4868, you can apply for an automatic extension by making an electronic payment by the due date. Keep in mind that an extension request extends the time to **file a return** but not the time to **pay your taxes**. If you do not pay your tax by the original due date, you will owe interest on the unpaid tax and may owe penalties.

If you live and work abroad, you have until June 15 to file, though your taxes are still due April 15. If you are serving in Iraq, Afghanistan or other combat zones, you have until 180 days after you leave the combat zone to file and pay your taxes.

### **I haven't filed a return this year or in prior years**

Not filing a return may seem like a way to buy time or prolong the punishment for not paying your tax bill. The IRS may be backlogged, short on resources and may not

discover you for years, but the IRS will eventually catch up and discover your failure

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- **Interest** is charged on taxes and penalties not paid by the original due date.
- The penalty for failure to file doesn't apply to refunds. However, you risk losing a refund if you fail to file within the statute of limitations (typically 3 years from due date).

You don't have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, the IRS will do it for you.

If you're missing some or all of your tax records, you can request transcripts of third party documents, such as Forms W-2 and 1099 and Schedule K-1 from the IRS. Bank records may fill in the blanks as well. If you're self-employed and have no tax records, the IRS may use recommended industry standards.

### **I'm not able to pay my bill**

When you file, pay as much as you can with your tax return to avoid penalties and interest. As for the rest, the IRS feels your pain and is willing to work with you to devise alternate payment options. The IRS website has a page for [Paying Your Taxes](#) with 3 options:

- **Installment payment plan:** If you owe \$50,000 or less, you can request a payment plan. If you owe more than \$50,000, you will need to complete a financial statement to determine the monthly payment.
- **Offer in Compromise (OIC):** You may be able to make an offer to settle with the IRS for something less than is due. You'll have to fill out Form 656 and show that you are unable to pay, for example, the amount owed is higher than your total assets and income.
- **Hardship cases:** If you will become destitute in order to pay the taxes, you can fill out Form 911, Request for Taxpayer Advocate Service Assistance, to ask the IRS to

delay tax collection. This isn't your best option, since you'll still be racking up

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from the IRS is not a successful strategy and will cost you money in the long run. Failure to properly work with the IRS may result in stiff penalties, enforced collection action against you, and in extreme cases, criminal penalties and possible jail time.

You can file your return on your own if you feel comfortable doing so, otherwise seek out the advice and help of a tax professional. The IRS offers free options to prepare and file your return on the IRS website or in your local community if you qualify. The IRS website also provides answers to your tax questions.

If you don't want to contact the IRS directly, you can hire a tax professional to do so. The IRS provides tips on [Choosing a Tax Professional](#). You would need to sign Form 2848, Power of Attorney, to enable the tax advisor to speak on your behalf. The tax professional can then acquire any substitute documents (Forms W-2, 1099, etc.) on file and discuss collection issues with the government.

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