

Duvall & Associates, Inc.

Taking Care of Business

PAYMENT OF TAXES - PART TROIS

"Set backs. Natural fact is I can't pay my taxes." Marvin Gaye

The actual filing date of income tax returns can be extended up to six months. However, a filing extension does not extend the required time for payment of taxes.

If the full amount of taxes due on the return is not paid by the original filing date, interest and penalties will be assessed.

Many taxpayers panic if they have insufficient funds to pay their taxes come filing date. Some even forego filing returns altogether feeling it to be a useless endeavor if they cannot pay what's due.

Bad idea! Non-filing of returns is criminal and at minimum actually increases the financial pain since there are cash penalties for late filing of returns (assessed in addition to penalties for late payment of taxes).

Instead - timely file returns to avoid non-filing penalties - even if funds are not available to pay all taxes due.

A kindler, gentler IRS has set up filing procedures for financially strapped taxpayers. Timely filed returns with Form 9465 attached can propose to the IRS a payment plan (up to sixty months) for unpaid taxes. Punctual compliance with the plan is recommended until the taxpayer hears to the contrary from the Tax Man.

If taxpayers feel full payment of taxes is financially impossible, a separate filing of an Offer in Compromise is suggested - wherein the taxpayer proposes a pay plan of less than 100% compliance. This process is somewhat cumbersome and requires much diligence and patience - since the IRS world does not traverse in a fundamentally expedient pattern and the IRS has much discretion in administering and negotiating Offers in Compromise.

Finally, Certify Mail all returns and payments to document filing dates, thus preventing possible penalties if the forms get lost in the system.

Earn your money - pay your taxes - live life to the fullest with what little is left.

For more information on payment of taxes - [Click here.](#)

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