



## Robert W. Wood

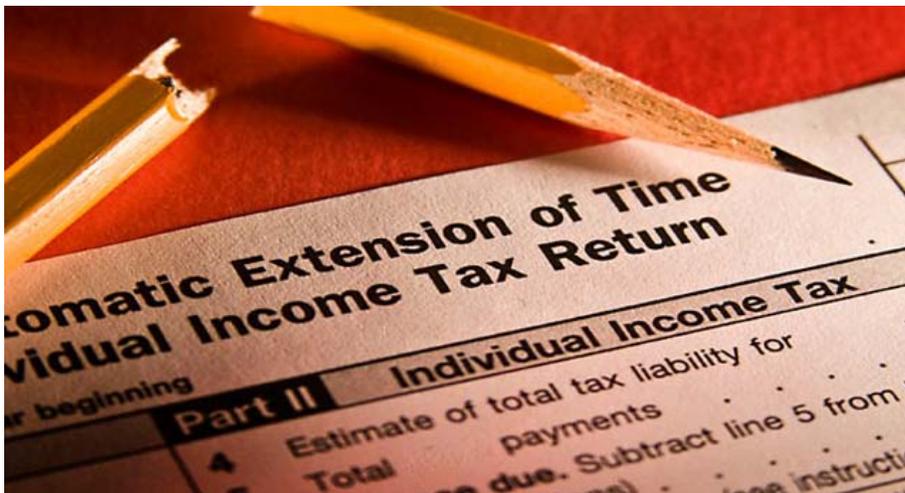
THE TAX LAWYER

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### Does Extending April 15 Deadline Increase Odds Of IRS Audit?

Instead of rushing to April 15 to file your taxes, you can go on extension, but should you? And if you do succumb to the allure of an extra six months, do you increase your odds of audit? Few deadlines are more dreaded than the annual rush to April 15th. You may not want to delay it. You may even feel guilty when you get an automatic reprieve.

Don't. There's no shame in an extension, and millions are processed every year. Everyone with an April 15 deadline can get *six extra months* by filing (electronically or by mail) a tiny form that doesn't even require a signature. You need to pay what you owe—the extension is to file your return not to pay—but there are good reasons to take the extension.



First, going on extension encourages reflection. Use the time to gather records, consider reporting alternatives, and get professional advice. After all, tax returns are filed under penalties of perjury. File accurately so you don't have to amend later. Amended returns often come about because people rush. Although there are times you may want or need to amend, use amended returns sparingly. Amended returns are much more [likely to be scrutinized](#). File once correctly so you don't have to do it again.

The extension is automatic. The IRS doesn't have to approve the extension; there is no discretion involved. You just get the extra six months, period. Extensions used to be four months, with two additional months only if you had a good reason. Now, automatic extensions are six months. But the extension is to *file*, not to *pay*. Make your payment and use the time to make your return accurate and complete.

Going on extension also allows for corrected Forms 1099 and K-1. You may be waiting for Forms K-1, gathering documents or seeking professional advice. If there are debatable points on your return, such as whether a [litigation](#) recovery is ordinary or capital, get some professional advice. But even if you have all your forms and are ready, what if you receive a K-1 or 1099 after you file?

The earlier you file, the greater the risk you will receive corrections. Going on extension makes it less likely that you will be surprised by a tardy corrected K-1 or 1099. You may as well file once and file correctly.

Some people say that going on extension increases audit risk. Some people say exactly the opposite. But there is no hard evidence to support either theory. It is worth saying it again: there is no increased audit risk to going on extension.

Of course, audit risk is one of those perennial questions that is tough to answer. And just like audit risk is worrisome, so is any action that might be seen as increasing audit risk. All taxpayers worry about [IRS audit](#) risk. Opinions vary and there are many old wives tales about what triggers an audit. However, it is unlikely that [going on extension increases IRS audit risk](#).

By the same token, going on extension probably does not *reduce* your audit risk either. The IRS releases data about audit rates based on income levels and types of tax returns. They do not release data about whether going on extension increases or decreases your chances. Just go on extension if you need the time.

Going on extension is easy. To extend, you can mail a [Form 4868](#), ask your return preparer, use commercial software, or do it yourself electronically. For more guidance, [IRS tax topic 304 covers extensions of time to file your Tax return](#).

*For alerts to future tax articles, email me at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not legal advice.*