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Does Going On Return Filing Extension Increase IRS Audit Risk?

Audit risk is a worrisome topic. See [More IRS Audits Coming Your Way](#).

This tax filing season you have a precious few more hours to file, until the end of April 17. See [Don't Put Off Taxes Despite Leap Year and Emancipation](#). Even though it's a DC holiday that prompted the one day reprieve this year, many states conformed.

But what if even that isn't enough? Is it good or bad to go on extension?

The best reason to go on extension is if you need time to consider proper reporting, get professional advice, and file an accurate return. Tax returns are filed under penalties of perjury. Plus, amended returns are more likely to be scrutinized, so file once accurately if possible.

Despite these truths, many people are obsessed with IRS audit risk. Of all the questions I get as a [tax lawyer](#), one of the most often repeated is whether you increase audit risk by going on extension. I say no, but you'll get different answers all over the map. Even worse, there are many old wives tales about what does and doesn't trigger an audit.



Taxes (Photo credit: 401kcalculator.org)

Some say going on extension increases audit risk. Some say exactly the opposite. A whopping 10.5 million extensions were processed last year, and this year could be more. To get one, you can mail in a Form 4868, ask your return preparer to do it, do it with TurboTax or other commercial software, or do it electronically yourself. Just go to IRS.gov and click here: [Can't File By April 17? Use Free File to Get a Six-Month Extension; E-Pay and Payment](#). For more IRS guidance, see [IRS: Tax Topic 304 Extensions of Time to File Your Tax Return](#).

The extension used to be an automatic four months, with two more thereafter if you had a good reason. Then the IRS went all-out and dropped the reason requirement and the two step process. Now automatic extensions are six months. Who couldn't use the time?

One problem, of course, is that the extension is to file, not to pay. Beyond that, the first time you go on extension can be cathartic. We're used to meeting deadlines, and you may feel guilty when you get that automatic reprieve. Don't. Make your payment, get your extension, and use the time wisely to make your return more accurate and more complete. Plus, if there are debatable points—such as whether a lawsuit recovery is ordinary income or capital gain—get some professional advice. See [Don't Fail To Consider Taxes When Settling Litigation](#).

For more, see:

['My Dog Ate It' And Other Tax Excuses](#)

['Sick Lawyer' Excuse Not Enough To Escape IRS Penalties](#)

[More Tax Defenses: "I Forgot!"](#)

[Tax Defense: "I Have ADD"](#)

[9/11 Excuse Not Enough To Escape IRS Tax Bill](#)

[To Avoid Fate Of Wesley Snipes, Skip Tax Protester Arguments](#)

[Don't Put Off Taxes Despite Leap Year and Emancipation](#)

[Paper Or E-File Your IRS Return?](#)

[E-Filing And IRS Website](#)

[What Triggers IRS Statute Of Limitations?](#)

[IRS Six Year Audit Push May Reach Supreme Court](#)

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