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THE TAX LAWYER

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IRS Allows Tax Return Do-Overs

A tax return is signed under penalties of perjury and is not an opening offer, quipped journalist [Lee Sheppard](#). True, but we all make mistakes. Besides, some items—like an amended an [Form K-1](#) or [1099](#), may show up **after** you've filed. The IRS doesn't **exactly** allow tax return do-overs.



Image via [thedailybeast.com](#)

Still, if you discover an error on your tax return, the only way to fix it is to **amend** your return. There are many myths about amended returns, but the IRS recently listed some things they want you to know. See [IRS Summertime Tax Tip 2011-12](#).

1. **Do Amend.** If your [filing status](#), dependents, total income, deductions or credits were reported incorrectly, amend.
2. **Don't Amend.** Don't amend for math errors or for missing forms such as [W-2s](#) or schedules.
3. **Paper or Electronic?** Amended tax returns cannot be filed [electronically](#).
4. **Don't Combine.** If you are amending several tax years at once, prepare a Form 1040X for each return and mail them to the IRS in separate envelopes.

5. **Which Form?** Use Form [1040X](#) to amend a previously filed Form [1040](#), [1040A](#) or [1040EZ](#). Make sure you check the box for the year you are amending. Form 1040X has three columns.
 - Column A shows the original figures from the original return (but if the return was adjusted by the IRS, use the adjusted figures).
 - Column C shows the corrected figures.
 - Column B shows the difference. Explain the specific changes and the reason for the change on the back.
6. **Wait for Refund.** If you are claiming an additional [refund](#), wait until you have received your **original** refund before amending. But if you don't have a refund coming, amend as soon as you can to limit interest and penalty accruals.
7. **Too Late to Amend?** To claim a refund, you must amend within three years from the date you filed your original return or within two years from the date you paid the tax, whichever is later.

Must You Amend? Once you've filed your tax return you cannot be prosecuted for failing to file an amended return, even if something happened after you filed that makes it clear your original return contains mistakes. When [considering an amendment](#), first ask yourself whether the return you filed was accurate to your best knowledge when you filed it. If you **knew** the return was inaccurate when you filed it, you should amend it without delay to make it accurate.

Conversely, if you considered the return accurate when filed, you're probably safe in not filing an amendment. Yet you still may **want** to amend. In fact, most tax advisers generally recommend amending to fix significant errors. See [If You Goofed on Your Taxes, Fix It. Now.](#) Yet the analysis can be nuanced.

If possible, get some professional advice about the nature and scope of the inaccuracy and your best plan for rectifying it. Although you may not

be required to file an amended return, if you do, you must correct **everything**. You can't cherry-pick and make only those corrections that get you money back, but not those that increase your tax liability.

For more, see:

[Beware Amending Tax Returns](#)

[Ten Tips For Amending Your Tax Return](#)

[Do You Need To Amend Your Return?](#)

[IRS Topic 308: Amended Returns](#)

[IRS Pushes For 6 Years To Audit!](#)

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

[Instructions for Form 1040X](#)

[IRS Video: Amending My Return](#)

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