

You didn't file a return or filed more than one return, now what?

You may not have filed your federal income tax return for this year or previous years. Regardless of your reason for not filing a required return, file your tax return as soon as possible.

If you are not sure you are required to file a return, please give M V Berardi & Associates a call. We can review the requirements for the year or years you have not filed and advise you whether a tax return needs to be filed or not. If you are required to file a return, but you cannot pay all of the tax due on your return, we will review with you different payment options or help you with establishing a payment agreement with the IRS.

If your return was not filed by the due date (including extensions of time to file), you may be subject to the failure-to-file penalty, unless you have reasonable cause for your failure to file timely. If you did not pay your tax in full by the due date of the return (excluding extensions of time to file), you may also be subject to the failure-to-pay penalty, unless you have reasonable cause for your failure to pay timely, or the IRS has approved your application for extension of time for payment of the tax due to undue hardship. Additionally, interest is charged on taxes not paid by the due date, even if you have an extension of time to file. Interest is also charged on penalties.

There is no penalty for failure-to-file if you are due a refund. But, if you wait to file a return or otherwise claim a refund, you risk losing a refund altogether. An original return claiming a refund must be filed within 3 years of its due date for a refund to be allowed in most instances. After the expiration of the three-year window, the refund statute prevents the issuance of a refund check and the application of any credits, including overpayments of estimated or withholding taxes, to other tax years that are underpaid. However, the statute of limitations for the IRS to assess and collect any outstanding balances does not start until a return has been filed. In other words, there is no statute of limitations for assessing and collecting the tax if no return has been filed.

For answers to your tax questions, information about payment arrangements, and help filing any overdue tax returns, please call M V Berardi & Associates; remember, the clock is ticking.

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