

Fall Tax Deadlines

Taxes, Penalties and Interest, Oh My!

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The arrival of fall brings more than football and cooler weather. It's also a time when several important tax deadlines roll around. Here are the upcoming due dates you need to mark on your calendar so you don't wind up missing out on important tax savings or owing even more tax dollars.

September 15: Partnerships, Corporations and Trust Returns Due

You extended these returns earlier in the year and the time has come to file as no more extensions are available. With just a little over a week left until this deadline, you're going to want to make sure you have all of your information to your CPA for these returns. Hopefully you already have your return done or are getting the return in the next day or two because you will want to review it and ask any questions of your CPA before you file.

For C and S Corporations and partnership returns, if you don't timely file, you may not be able to take any retirement plan deductions on your return or make certain tax saving elections. You also have to be concerned about late filing and late payment penalties if there's any tax due. With a C Corporation, the late filing penalty is 5% of any tax due per month, so the penalty can become significant quickly. For S Corporations and partnerships, the penalty is \$195 per owner or partner per month and these penalties can get significant quickly.

If you don't file your trust return by the extension due date and tax is owed, late filing and late payment penalties are also due. The late filing penalty is 5% of any tax due per month and the trust also loses out on making certain tax elections that could save taxes.

September 15: Estimated Quarterly Tax Payments Due

Our tax law is a "pay as you go" system and you will need to evaluate whether you need to make estimated tax payments. C Corporations, trusts, the self-employed and those individuals who have income from pass-through entities are among the taxpayers who need to consider making payments. If estimated tax payments are not made, penalties can be assessed.

October 15: Individual Tax Returns Due

Before you know it, this due date is here. As with the September 15th deadline, you lose out on the ability to make certain tax elections and you may lose a deduction for a retirement contribution if you don't timely file your individual tax return.

When you extended your return earlier in the year to October, any tax that was due should have been paid when the return was extended. However, if you opted to pay 90% of your tax due by April 15th and the remaining 10% of tax now, you won't be assessed a late payment penalty on the tax being paid now, but you will have to pay interest. If you paid less than 90% of your tax due when you filed your extension, you will be subject to both late payment penalties and interest. Please also note the late filing penalty of 5% is applicable if you don't timely file.

October 31: Payroll for 3rd Quarter Due

Third quarter payroll returns are due by the end of the month. If you do not file, you're subject to late filing penalties. Please note that you should have already been making monthly or semi-weekly deposits of payroll taxes. Even if you file timely, the IRS may assess penalties if you have not made the deposits timely.

November 1, 2016 – January 31, 2017: Open Enrollment

Many employers conduct their open enrollment during this time. Make sure you complete this task so you don't end up paying the penalty for not having health insurance coverage for you and your family. You'll want to attend the benefits meeting held by your employer. Your health insurance plan is likely to change because health care reform has led to plan structures constantly changing. If you made certain elections the year before for your plan, it is likely your plan defaults to those elections. The same elections might not be the right answer for you for the upcoming year. For example, life events such as getting married, getting divorced, having a baby or changing jobs may impact your health care coverage needs. For example, you may need to change the amount you contribute to your health spending account because of a change in your medical needs.

Make sure you get everything done for the deadlines that apply to you because the penalties and lost opportunities for not filing the returns and forms can be costly.

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