

Important Date for Taxpayers Living Abroad

Article Highlights:

- June 15th filing due date
- Additional extension to October 15 available
- Extension does not relieve late payment penalties
- Combat zone

If you are a U.S. citizen or resident alien living and working (or on military duty) outside the United States and Puerto Rico, June 15, 2015 is the filing due date for your 2014 income tax return and to pay any tax due. If your return has not been completed and you need additional time to file your return, file Form 4868 to obtain 4 additional months to file. Then, file Form 1040 by October 15, 2015. However, if you are a participant in a combat zone, you may be able to further extend the filing deadline (see below).

Caution: This is not an extension of time to pay your tax liability, only an extension to file the return. If you expect to owe, estimate how much and include your payment with the extension. If you owe taxes when you do file your extended tax return, you will be liable for both the late payment penalty and interest from the due date.

Combat Zone - For military taxpayers in a combat zone/qualified hazardous duty area, the deadlines for taking actions with the IRS are extended. This also applies to service members involved in contingency operations, such as Operation Iraqi Freedom or Enduring Freedom. The extension is for 180 consecutive days after the later of:

- The last day a military taxpayer was in a combat zone/qualified hazardous duty area or served in a qualifying contingency operation, or have qualifying service outside of the combat zone/qualified hazardous duty area (or the last day the area qualifies as a combat zone or qualified hazardous duty area), or
- The last day of any continuous qualified hospitalization for injury from service in the combat zone/qualified hazardous duty area or contingency operation, or while performing qualifying service outside of the combat zone/qualified hazardous duty area.

In addition to the 180 days, the deadline is also extended by the number of days that were left for the individual to take an action with the IRS when they entered a combat zone/qualified hazardous duty area or began serving in a contingency operation.

It is not a good idea to delay filing your return because you owe taxes. The late filing penalty is 5% per month (maximum 25%) and can be a substantial penalty. It is generally better practice to file the return without payment and avoid the late filing penalty. We can also establish an installment agreement that allows you to pay your taxes over a period of up to 72 months.

Please contact this office for assistance with an extension request or an installment agreement.