

## October Extension Due Date Rapidly Approaching

### Article Highlights:

- October 15 is the extended due date for filing 2014 federal individual tax returns.
- Late-filing penalty for individual federal returns is 5% of the tax due for each month, or part of a month, for which a return is not filed, up to a maximum of 25% of the tax due. A separate penalty applies for filing a state return late.
- Interest on tax due.
- Final opportunity for business or rental property owners to adopt the new repair and improvement regulations retroactively.

If you could not complete your 2014 tax return by the normal April filing due date, and are now on extension, that extension expires on October 15, 2015, and there are no additional extensions. Failure to file before the extension period runs out can subject you to late-filing penalties.

There are no additional extensions, so if you still do not or will not have all of the information needed to complete your return by the extended due date, please call the office so that we can explore your options for meeting your October 15 filing deadline.

If you are waiting for a K-1 from a partnership, S-corporation, or fiduciary return, the extended deadline for those returns was September 15. So, if you have not received that information yet, you should probably make inquiries.

Late-filed individual federal returns are subject to a penalty of 5% of the tax due for each month, or part of a month, for which a return is not filed, up to a maximum of 25% of the tax due. If you are required to file a state return and do not do so, the state will also charge a late-file penalty. The filing extension deadline for individual returns for most states is also October 15.

If you operate a business or have rental properties, October 15 is also the final deadline for adopting new capitalization and repair regulations retroactively by filing IRS Form 3115, Application for Change in Accounting Method, which will allow you to expense items on your 2014 return that were capitalized (depreciated) in prior open years that are now allowed to be expensed under the new regulations. If you've already filed your 2014 return, it can be amended to adopt the new capitalization and repair regulations, but the amended 2014 return will need to be filed by October 15. If the new regulations are not adopted retroactively, they will only apply prospectively.

If this office is waiting for some missing information to complete your return, we will need that information at least a week before the October 15 due date. Please call this office immediately if you anticipate complications related to providing the needed information, so that a course of action may be determined for avoiding the potential penalties.