

Oops, Did You Forget Something on a Tax Return?

Article Highlights:

- Overlooked Deductions and Credits
- Amended Tax Documents
- Overlooked Income
- Filing Statute of Limitations

If you have already filed your tax return and overlooked an item of income or forgot to claim a deduction or credit, it is not too late! An amended return can be filed to correct an already filed tax return. Failing to report an item of income will most certainly generate an IRS inquiry, which typically happens a year or more after the original return was filed and after the interest and penalties have built up. Therefore, it is best to file an amended return as soon as possible to avoid the headache of IRS correspondence and to minimize the interest and penalties on any additional tax you might owe.

On the flip side, if you overlooked a significant deduction or tax credit and you have a refund coming, you certainly don't want that to go by the wayside.

The solution is to file an amended return as soon as the error or omission is discovered. Amended returns can also be used to claim an overlooked credit, correct the filing status or the number of dependents, report an omitted investment transaction, submit information from delayed K-1s, or anything else that should have been reported on the original return.

If the overlooked item will result in a tax increase, penalties and interest can be mitigated by filing an amended return as soon as possible. Procrastination leads to further complications once the IRS determines something is missing, so it is best to take care of the issue right away.

Generally, to claim a refund, an amended return must be filed within three years from the date the original return was filed or within two years from the date the tax was paid, whichever is later.

If any of the above applies to your situation, please give this office a call so we can prepare an amended tax return for you.