

# IRS News Release

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## **Tax Extension Reminder; Don't Overlook Special Individual and Small Business Tax Benefits; Choose e-File, e-pay**

### *Videos:*

Oct. 17, 2011 Deadline: [English](#) | [Spanish](#) | [ASL](#) | [Podcast](#)

Small Business Health Care Tax Credit Update: [English](#) | [Spanish](#) | [ASL](#)

IR-2011-101, Oct. 12, 2011

WASHINGTON — The Internal Revenue Service today urged taxpayers whose tax-filing extensions run out soon to double check their returns for expanded individual and business tax benefits, and then file their returns electronically using IRS e-file or the Free File system.

Many of the nearly 10.1 million taxpayers who requested an automatic six-month extension this year have yet to file. [IRS e-file](#) is fast, accurate and secure, making it an ideal option for those rushing to meet the Oct. 17 deadline that applies to most people who requested extensions, or the special Oct. 31 deadline that applies to many taxpayers affected by [recent natural disasters](#).

Most taxpayers qualify for e-file regardless of whether they prepare their returns themselves or use a paid preparer and regardless of whether they live in the United States or abroad. In addition, those with incomes at or below \$58,000 can file their returns for free using the [Free File](#) link on IRS.gov.

Taxpayers who file electronically can also [e-pay](#) by authorizing an electronic funds withdrawal or making a credit card payment. The IRS does not charge a fee for processing an electronic funds withdrawal. However, credit-card payments are subject to convenience fees charged by the authorized service providers.

Paper filers, as well as electronic filers, who cannot pay what they owe may be able to set up a payment agreement with the IRS in a matter of minutes. Check out the [Online Payment Agreement](#) section on IRS.gov for more information.

Some taxpayers may file after Oct. 17 and still avoid penalties for late filing. This includes:

- Members of the military and others serving in Iraq, Afghanistan or other [combat zone localities](#). Typically, taxpayers have until at least 180 days after they leave the combat zone to file their returns and pay any taxes due. For details, see Extensions of Deadlines in [Publication 3](#), Armed Forces Tax Guide.
- People affected by Hurricane Irene and other [recent natural disasters](#). Currently, parts of nine states and Puerto Rico are covered by federal disaster declarations, and affected individuals and businesses in these areas have until Oct. 31 to file.

Before filing, the IRS urges eligible small businesses to check out often-overlooked tax benefits such as the new small business health care tax credit. New for 2010, the credit is designed to encourage small employers, those with fewer than 25 full-time equivalent employees who employ low- and moderate-income workers, to offer health insurance coverage for the first time or maintain coverage they already have. In general, the credit is available to small employers, including sole proprietors ([Schedule C](#) filers) and farmers ([Schedule F](#) filers) that pay at least half of the premiums for single health insurance coverage for their employees. Eligible small businesses first use [Form 8941](#) to figure the credit and then include it as part of the general business credit on their income tax return. [Partners](#) in partnerships, S corporation [shareholders](#) and estate and trust [beneficiaries](#) should check their Schedules K-1 for the amount of the credit passed through to them. More [information about the credit](#) is available on the [small business health care tax credit](#) page on IRS.gov.

The IRS reminds small businesses, including farmers and self-employed individuals that operated at a loss during 2010 that they can often get an immediate tax benefit by carrying unused losses back to prior tax years. For details, see [Publication 536](#).

Taxpayers should also check various tax breaks extended or expanded by the recovery law and other recent tax legislation. These include the Making Work Pay Credit for workers and self-employed individuals, the American opportunity credit and other higher education tax benefits for parents and students, residential energy credits for various energy-saving home improvements, the Earned Income Tax Credit for low- and moderate-income workers and working families, and the child tax credit and additional child tax credit for low- and middle-income families.

The IRS reminds U.S. citizens and resident aliens that federal law requires them to report income from all sources, both foreign and domestic, including income from foreign trusts and foreign bank and securities accounts. In most cases, affected taxpayers also need to fill out Part III of [Schedule B](#), including reporting the country or countries in which the accounts are located. More information on this and other tax requirements and benefits is available on the [International Taxpayer](#) page on IRS.gov.