

IRS News Release

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Tax-filing Extension Expires Oct. 17 for Millions of Taxpayers; Check Eligibility for Overlooked Tax Benefits

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WASHINGTON — The Internal Revenue Service today urged taxpayers whose tax-filing extension runs out on Oct. 17 to double check their returns for often-overlooked tax benefits and then file their returns electronically using IRS [e-file](#) or the [Free File](#) system.

Fewer than a third of the 13 million taxpayers who requested an automatic six-month [extension](#) this year have yet to file. Although Oct. 17 is the last day for most people, some still have more time, including members of the military and others serving in [combat zone](#) localities who typically have until at least 180 days after they leave the combat zone to both file returns and pay any taxes due.

In addition, taxpayers in several [disaster area](#) localities who already had valid extensions now have more time to file. Currently, taxpayers in parts of Florida, Louisiana and West Virginia qualify for this relief. For details, see the disaster relief page on IRS.gov. However, like other extension filers, these taxpayers were required to pay what they owe by April 18.

The IRS continues to monitor the impact of Hurricane Matthew and will be watching for federal disaster declarations in affected areas that could affect the Oct. 17 deadline.

Check Out Tax Benefits

Before filing, the IRS encourages taxpayers to take a moment to see if they qualify for these and other often-overlooked [credits and deductions](#):

- Benefits for low-and moderate-income workers and families, especially the Earned Income Tax Credit. The [EITC Assistant](#) can help taxpayers see if they're eligible.

- Savers credit, claimed on [Form 8880](#), for low-and moderate-income workers who contributed to a retirement plan, such as an IRA or 401(k).
- American Opportunity Tax Credit, claimed on [Form 8863](#), and other [education tax benefits](#) for parents and college students.

Health Care

The health care law includes the [individual shared responsibility provision](#) and the [premium tax credit](#) that may affect a taxpayer's return.

Most taxpayers simply need to check a box on their tax return to indicate they had health coverage for all of 2015. For any month that the taxpayer or anyone in their family did not have [minimum essential coverage](#), they need to either claim or report a coverage [exemption](#) or make a [shared responsibility payment](#) when they file their tax return.

Taxpayers who enrolled in health coverage through the Health Insurance Marketplace may be eligible for the premium tax credit. Taxpayers who benefited from [advance payments of the premium tax credit](#) must file a federal income tax return to reconcile their advance credit payments, even if they're otherwise not required to file. Failing to file will prevent a taxpayer from receiving advance credit payments in future years.

The [Interactive Tax Assistant](#) tool can also help determine if a taxpayer qualifies for an exemption, needs to make a payment or is eligible for the premium tax credit. Taxpayers can visit [IRS.gov/aca](#) for additional information on how the Affordable Care Act affects their return.

Some taxpayers also qualify for the Health Coverage Tax Credit. See the [HCTC](#) page on IRS.gov for details.

E-file Now: It's Fast, Easy and Often Free

The IRS urges taxpayers to choose the speed and convenience of electronic filing. Fast, accurate and secure, filing electronically is an ideal option for those rushing to meet the Oct. 17 deadline. The IRS verifies receipt of an e-filed return, and people who file electronically make fewer mistakes. Of the 147 million returns received by the IRS so far this year, about 87 percent or 128 million have been e-filed.

Taxpayers who purchase their own software can also choose to e-file, and most paid tax preparers are now required to file their clients' returns electronically.

Everyone can use Free File, either the brand-name software, offered by the IRS's commercial partners to individuals and families with incomes of \$62,000 or less, or online fillable forms, the electronic version of IRS paper forms available to taxpayers at all income levels.

Join the eight in 10 taxpayers who get their refunds faster by using direct deposit and e-file. Taxpayers can choose to have their refunds deposited into as many as three accounts. See [Form 8888](#) for details.

Quick and Easy Payment Options

IRS [Direct Pay](#) offers taxpayers a fast and easy way to pay what they owe. Available through the [Pay Your Tax Bill](#) icon on IRS.gov, Direct Pay is free and allows individuals to securely pay their tax bills or make quarterly estimated tax payments online directly from checking or savings accounts without any fees or pre-registration. So far this year, more than 6 million tax payments totaling over \$23 billion have been received from individual taxpayers through Direct Pay.

Taxpayers can also pay by debit or credit card. While the IRS does not charge a fee for this service, the payment processor will. Other payment options include the [Electronic Federal Tax Payment System](#) (enrollment is required) and [Electronic Funds Withdrawal](#) which is available when e-filing. Taxpayers can pay what they owe using, the [IRS2Go](#), mobile app. All of the electronic payment options are quick, easy and secure and much faster than mailing in a check or money order. Those choosing to pay by check or money order should make the payment out to the "United States Treasury."

Taxpayers with extensions should file their returns by Oct. 17, even if they can't pay the full amount due. By doing so, taxpayers will avoid the late-filing penalty, normally five percent per month, that would otherwise apply to any unpaid balance after Oct. 17. However, interest, currently at the rate of four percent per year compounded daily, and late-payment penalties, normally one-half a percent per month, will continue to accrue.

Help for Struggling Taxpayers

In many cases, those struggling to pay taxes qualify for one of several relief programs. Most people can set up a payment agreement with the IRS on line in a matter of minutes. Those who owe \$50,000 or less in combined tax, penalties and interest can use the [Online Payment Agreement](#) to set up a monthly payment agreement for up to 72 months or request a short-term payment plan. Taxpayers can choose this option even if they have not yet received a bill or notice from the IRS.

Alternatively, taxpayers can request a payment agreement by filing [Form 9465](#). This form can be downloaded from IRS.gov and mailed along with a tax return, bill or notice.

Some struggling taxpayers qualify for an [Offer-in-Compromise](#). This is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed. Generally, an offer will not be accepted if the IRS believes the liability can be paid in full as a lump sum or through a payment agreement. The IRS looks at the taxpayer's income and assets to make a determination regarding the taxpayer's ability to pay. To help determine eligibility, use the [Offer in Compromise Pre-Qualifier](#), a free online tool available on IRS.gov.

Planning Ahead for 2017

Taxpayers can begin taking steps now to ensure smooth processing of their 2016 tax return next year. The IRS offers these reminders:

- Before filing the 2015 return, be sure to make a copy and keep it and all supporting documents for a minimum of three years. Doing so will make it easier to fill out a 2016 return next year. In addition, a taxpayer will often need the adjusted gross income (AGI) amount from their 2015 return to properly e-file their 2016 return.
- Check withholding. This is especially important for any taxpayer who is getting a big refund or has a big balance due. A taxpayer with a big refund can reduce the refund amount and boost take-home pay by claiming additional withholding allowances on the Form W-4 they give to their employer. Anyone with a big balance due can have additional tax withheld or make quarterly estimated tax payments to the IRS. For help, use the [Withholding Calculator](#) on IRS.gov.
- The IRS cautions taxpayers not to count on getting a refund by a certain date, especially when making major purchases or paying other financial obligations. Though the IRS issues most refunds in less than 21 days, some returns are held for further review. In addition, starting next year, some people will get their refunds a little later. A recent tax law requires the IRS to hold the refund for any tax return claiming either the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) until Feb. 15. By law, the IRS must hold the entire refund, not just the portion related to the EITC or ACTC. Starting Feb. 15, the best way to check the status of a refund is with the [Where's My Refund?](#) tool on IRS.gov or the [IRS2Go Mobile App](#).
- The recent change also includes a new requirement for employers. They are now required to file their copies of [Forms W-2](#) and certain Forms 1099 with the federal government by Jan. 31. The Jan. 31 deadline has long applied to employers furnishing copies of these forms to their employees.