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Money Matters | Tax time getting you down? Check these last-minute tips

By SAMANTHA KOPEK

Are you feeling squeezed in by the looming tax deadline? Here are a few tips to give you a little more breathing room.

First, the deadline for filing your federal and most state income tax returns has been extended by two days this year, to April 17th. Since the 15th falls on a weekend, normally the deadline would move to the following Monday. However, April 16 is a special Washington D.C. holiday and all IRS offices are closed!

Missouri and Kansas have both extended the state filing deadline to next Tuesday.

But if you are required to file a Kansas City, Missouri income tax return, it is still due by the 16th. Not postmarked, but due.

These deadlines are important — specifically if you will owe tax when you file.

If you cannot file on time, you must extend:

File form 4868 for a six-month automatic extension (Missouri and KCMO both have extension forms also)

Estimate your tax bill as close as you can

If you believe you owe, you must have paid in at least 90% by the time you extend

This is very important and can avoid both penalties

Failure to file – 5% of unpaid taxes per month late, up to 25%

Failure to pay – ½% of unpaid tax per month late, up to 25%

See this IRS Tax Tip for more details - <http://www.irs.gov/newsroom/article/0..id=205326.00.html>

The IRS may also start charging interest on your unpaid balance April 17th. This is in addition to the penalties.

State and local jurisdictions have similar rules

Missouri extension:

<http://www.taxbrain.com/taxcenter/extensions/mo.asp>

Kansas extension:

<http://www.taxbrain.com/taxcenter/extensions/ks.asp>

If you cannot come up with the cash to pay your balance due, then file the federal form 9465 – Installment Agreement Request. <http://www.irs.gov/individuals/article/0..id=243335.00.html>. The IRS and most states are willing to work out a payment plan with you at minimal interest, as long as you are proactive and they don't have to hunt you down. Article on penalties and exceptions

http://www.huffingtonpost.com/2012/04/10/owe-taxes-avoid-late-payment-penalty_n_1414583.html

You can save taxes at the last minute with a deductible IRA. If you qualify, and haven't funded an IRA for 2011, you can use your refund amount as a contribution if you have it directly deposited into an IRA. You must file by April 17th; you cannot extend and use this option. You can also still make HSA contributions for 2011 through April 17th, if you qualify. For self-employed people, you may be able to use the extension deadline of October

15th, 2012 to make your SEP contribution for 2011.

If you are a procrastinator, electronic filing is the way to go. You have until midnight on the 17th to e-file, and you can most likely have the tax you owe taken directly out of your bank account. If you plan to send a check, make sure to mail your payment on or before the deadline. The IRS and states typically accept a post-mark as date paid, but you should still verify this. Please consult your tax advisor when making any decisions that affect your tax return. Good luck!

The Money Matters column is written by members of the Financial Planning Association of Greater Kansas City. This week: Samantha Kopek, a Certified Financial Planner with GTRUST Financial Partners, Overland Park.

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