

Avoiding Tax Time Problems

Are you looking for ways to avoid the last-minute rush for doing your taxes? Here are some stress relieving ideas to help you.

- **Don't Procrastinate** Resist the temptation to put off your taxes until the very last minute. Your haste to meet the filing deadline may cause you to overlook potential sources of tax savings and will likely increase your risk of making an error.
- **Visit the IRS Online** In fiscal year 2005, there were more than 176 million visits to IRS.gov and 1.2 billion page views. Anyone with Internet access can also find tax law information and answers to frequently asked tax questions.
- **File Your Return Electronically** More than 68 million taxpayers filed their returns electronically in 2005. Aside from ease of filing, IRS e-file is the fastest and most accurate way to file a tax return. If you're due a refund, the waiting time for e-filers is half that of paper filers.
- **Don't Panic if You Can't Pay.** If you can't immediately pay the taxes you owe, consider some stress-reducing alternatives. You can apply for an IRS installment agreement, suggesting your own monthly payment amount and due date, and getting a reduced late payment penalty rate. You also have various options for charging your balance on a credit card. There is no IRS fee for credit card payments, but the processing companies charge a convenience fee. Electronic filers with a balance due can file early and authorize the government's financial agent to take the money directly from their checking or savings account on the April due date, with no fee.
- **Request an Extension of Time to File – But Pay on Time** If the clock runs out, you can get an automatic six month extension of time to file to October 16. The extension itself does not give you more time to pay any taxes due. You will owe interest on any amount not paid by the April deadline, plus a late payment penalty if you have not paid at least 90 percent of your total tax by that date. See IRS Form 4868, Application for Automatic
- **Extension of Time to File U.S. Individual Income Tax Return** for a variety of easy ways to apply for an extension. Form 4868 is available at IRS.gov or by calling 1-800-TAX-FORM (800-829-3676). Taxpayers needing Form 4868 should act soon to be sure they have the item in time to meet the April deadline