



Small Business Builder: Tax Deadline Nears

IRS Provides Wealth of Information for Small-Business Owners

By Mary Campbell

March 27

Never fear, though the deadline draws near &

The seasonal return of dew-kissed grass and gentle rain, Makes many feel revitalized, lighthearted, free of pain. These people sublimely filed tax returns timely. The ones for whom tax deadlines loom are unfulfilled and hollow. They know that, when the turf appears, the crabgrass soon will follow.

Entrepreneurs, be hopeful, for the gentle sunlight smiles On businesses whose tax files decompose in "to-do" piles. An extension can be had, our other tips might make you glad. So be of good cheer as rosebuds appear, And take our advice fer yer spring to be nicer.

Small-Business Tips From the IRS

Early in March, the kinder, gentler Internal Revenue Service launched its online Small Business and Self-Employed Community. There are instructions on what to do if you can't file on time, can't pay on time or both.

In addition to such tax information as forms, tips, regulations, news, trends and audit-avoidance techniques, the site includes a checklist of small-business start-up requirements, a business-plan tutorial, financing suggestions and much more.

Specialized information is available for the construction and restaurant industries (with others to follow). A construction "hot topic," for example, carries the headline "Sanitary Sewer Overflow Regulations Released." The Excise Tax topic advises, "Construction companies may be liable for Federal excise taxes or due a fuel tax credit or refund."

Visit the restaurant page to learn about new voluntary tip-reporting agreements and the work opportunity credit.

Avoid Penalties for Missing Deadlines

For individuals and calendar-year businesses, the federal tax-filing deadline is April 16 (April 17 for taxpayers whose IRS service center is in Massachusetts, which celebrates Patriots Day on April 16).

Requesting an automatic extension (until August 15) can buy time to prepare your return but won't delay your tax-due date. Unless you expect a refund, be prepared either to pay an estimated amount when you request an extension or to be charged interest (and possibly a penalty) when you file late.

The IRS expects more 8 million extension requests this year, according to Quicken.com, which also offers details on three ways to request an extension.

Postpone by Phone

(For 1040 filers; corporations follow instructions on form 7004, partnerships form 8736.)

Step 1. You'll need Your 1999 tax return Two copies of Form 4868, Application for Automatic Extension of Time to File, one to use as a worksheet and one to save.

You can download the form from the IRS site, print it from your tax-preparation software, or (if you have a fax machine) call 703-368-9694 and ask for item No. 13141.

Step 2. Estimate your tax due or expected refund by completing Form 4868, through line 6.

Step 3. Call 888-796-1074 between April 1 and April 16. Follow the instructions, including the request for numbers from last year's return.

Step 4. Write the confirmation number on your Form 4868 and file it with your tax records (don't send it to the IRS).

If you can file but not pay on time, don't request an extension. File on time and pay as much as you can. Rest assured the IRS will bill you for the balance, plus interest and penalties. You can request an installment plan by submitting Form 9465.

□ You Didn't Hear it From Me, But & □

You didn't hear it from me, but several tax experts and observers have reported that the IRS is no longer targeting small businesses for audits as relentlessly as in the past. Moreover, they say, the IRS is so understaffed that audits are way down. That's not a license to be careless. Look at it as encouragement to take all the legal deductions you can document.

Now wrap up tax time without delay,
For when you've sent in everything,
Take pleasure in a balmy day
And the gentle, tax-free breath of spring.

An editor since the age of 6, when she returned a love letter with corrections marked in red, Mary Campbell founded Zero Gravity in 1984 to provide writing, editing and marketing services. Small Business Builder is published on Wednesdays.

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