

Should I file an extension for my 2024 tax return?

Not if you can help it! Extensions are largely for returns that cannot be completed by the April 15th deadline due to situations outside of your control. This might be because you haven't received all of your documents yet (especially things like K-1's), or extenuating or unexpected life events.

Can I file an extension so that I can wait to pay my taxes?

No—if you file an extension, you are still required to file and pay by the regular due date. Your Advisor will complete your return as best they can and determine an estimate of your results based on the information they have. If it looks like you will owe taxes, they need to be paid by April 15, 2025 to avoid interest and penalties. If you underpay, you will have to pay interest on the difference. If you overpay, you will receive a refund with interest. This is why it's important you give us as much information as soon as you can—the more info your Advisor has, the more accurate their estimate of your taxes will be.

Procrastination can cost you—things outside your control happen, but we strongly encourage you to view filing an extension as a last resort, not a tax-planning strategy. We want to help you avoid incurring penalties and interest, and the best way to do that is to file your return on time. We know that's not always possible, so when it's not, we want to file your extension in the best way possible, which means on time and as accurate as it can be.

If I know I'll need to file an extension, what should I do?

Let us know! We operate under the assumption that you want your return completed by April 15th, so our processes are geared toward accomplishing that goal. Tell us as soon as you know you will need to file an extension, so we know not to keep reaching out to you for information you don't even have yet.

How do I file an extension?

Here are the ideal steps for filing an extension:

1. By March 15th at the latest, you submit all the applicable documents you have ready
2. By April 10th, your Advisor will call to review the current results and next steps. If taxes are expected to be owed, you'll discuss method of payment to be made along with the extension filing (it is necessary to leave a few days for processing time)
3. By September 15th, (but sooner if possible) submit your final documentation
4. By October 10th, a member of our Tax Department will complete the return and review final results with you
 - A. If more tax is owed, you'll determine your preferred method of payment to be made as soon as possible to avoid incurring further interest/fees
 - B. If you're receiving a refund or you overpaid at the filing of your extension, the refund will be processed by the appropriate institution
 - C. Ideally, you paid the exact right amount back in April with the filing of your extension, and no further action is necessary

Who handles my extension?

When the tax season ends on April 15th, our Financial Advisors hand tax business over to our Tax Department, so if you file an extension, it's possible that the work of finishing your return will fall to someone other than your usual Advisor.

The more we know, the better. Reach out any time with questions or updates—you can email tax@fsm-inc.com or call or text us at 303-988-1411.