

INVESTING

Not too late to request extension

Last-minute income-tax filers can find help on the internet.

If you're a last-minute income-tax filer, you still have time before Tuesday's deadline. That is, you have Monday and Tuesday.

How do you file a quick extension? The internet is your friend: You can file extensions online and on paper for your federal tax return and individual states, including Pennsylvania, New Jersey, and Delaware, which is helpful if you earned income in one or more of these states.



For taxpayers who cannot meet the Tuesday deadline, requesting an extension can prevent some penalties, said Jim Mc-Grory, partner with the Drucker & Scaccetti accounting firm in Center City.

“Remember, it’s not an extension to pay, just an extension to file,” he said. If payment is due, he suggests filing for an extension online and also mailing in the proper paper forms with a check.

If you can't pay, there will likely be penalties, but for many folks who have side gigs or multiple jobs — Uber or Lyft drivers, dog walkers, and Walmart greeters — filing can be complicated, and income tax penalties can sometimes be the cost of doing business, he added.

Request a federal income-tax extension. Visit www.irs.gov and search for Form 4868. For federal income taxes, you can use Free File to request an extension electronically or submit a paper Form 4868, "Application for Extension of Time to File U.S. Individual Income Tax Return."

Other free ways to get an extension include using IRS Direct Pay, the Electronic Federal Tax Payment System, or by paying with a credit or debit card. There is no need to file a separate Form 4868 extension request when making an electronic payment and indicating it is for an extension. The IRS will automatically count it as an extension.

But keep in mind that while an extension grants additional time to file, it's best to pay by Tuesday, or face extra penalties.

In Pennsylvania. Visit the Pennsylvania Department of Revenue website: www.revenue.pa.gov. There you can find the extension form REV-276 online. Or, the department automatically grants an extension to file when your federal extension is granted by the IRS.

The Department of Revenue has longer hours for taxpayers to get help by phone, and will be open 7:30 a.m. to 7 p.m. through Tuesday. Taxpayers can call the department's information center at: 717-787-8201. Assistance is also

available through the department's Online Customer Service Center.

In New Jersey. Visit the state Department of the Treasury's website: www.state.nj.us/treasury/taxation/howdoi.shtml.

Electronically, you can file a New Jersey extension request online until 11:59 p.m. Tuesday. You can also file a paper extension by printing and mailing Form NJ-630, on or before Tuesday. The envelope must be postmarked by Tuesday.

One benefit of filing extensions? If self-employed, you can still contribute to a SEP IRA and get the deduction.

“We had two self-employed clients who had to file extensions this year. That gave them time to contribute to what's known as a SEP IRA [a self-employed person's retirement fund] and still claim the contribution as a deduction on their 2017 taxes,” McGrory said. For more on SEP IRA, an acronym for a Simplified Employee Pension, visit the IRS website: www.irs.gov/retirement-plans/retirement-plans-for-self-employedpeople.

Tax Extenders. The Bipartisan Budget Act of 2018, which the White House signed into law Feb. 9, contained several tax provisions that could reduce the amounts some of us owe for the 2017 tax year. Key provisions, according to Isdamer & Co. in Bala Cynwyd, include:

Deductibility of mortgage insurance premiums. Taxpayers can continue to treat mortgage insurance premiums as deductible interest. But this affects only taxpayers who itemize their deductions, and changes under the tax overhaul are expected to significantly reduce the number of taxpayers

who do so. Further, the deduction phases out for taxpayers with adjusted gross income (AGI) of \$100,000 to \$110,000.

Deductibility of qualified tuition and related expenses. “Above-the-line” deductions are subtracted from a taxpayer’s gross income. The budget extends the above-the-line deduction for higher-education expenses. Taxpayers needn’t itemize to take advantage of the deduction, but it’s capped at \$4,000 for individuals with income that doesn’t exceed \$65,000 (\$130,000 for joint filers) and \$2,000 for individuals with income that doesn’t exceed \$80,000 (\$160,000 for joint filers).

Senior-citizen tax returns. Beginning with 2019 taxes, taxpayers age 65 or older should be able to file their federal income taxes on a new Form 1040SR. The BBA directs the IRS to develop a form that is as simple as Form 1040-EZ, Income Tax Return for Single and Joint Filers With No Dependents. It will allow reporting of Social Security and retirement distributions, interest and dividends, and certain capital gains and losses.

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