

## **Subject 702**

### **Extensions of Time to File**

If you will not be able to file your tax return by April 15<sup>th</sup>, you may receive an automatic six-month extension of time to file if you requested a federal automatic extension.

If you filed Federal Form 4868, Application for Automatic Extension of Time to File, by April 15<sup>th</sup> it is no longer necessary to attach that form to your Arkansas return. When your return is complete and ready to file, simply check the box on the face of the Arkansas Return and mail the return prior to the final date stamped on the federal extension. (Do not mail in an incomplete AR1000 to claim the extension to file.)

If you have filed Form 4868, this is only an extension of time to file your return – it is not an extension of time to pay the taxes. The date the return is due is the deadline for payment. You will be charged penalty and interest on taxes owed but not paid by April 15<sup>th</sup>. You can avoid paying interest by estimating how much tax, if any, you will owe and making that payment on Form AR1000ES, Voucher 5, by April 15<sup>th</sup>.

If you do not apply for a Federal Extension, you may request an Arkansas Extension by filing Form AR1055 by April 15<sup>th</sup>. The AR1055 must be approved by Income Tax Management and is valid for a maximum of 180 days. A copy of the approved Arkansas Extension must be attached to the front of your tax return when you file.

If your return is completed but you are unable to pay the tax due, you should not request an extension. File your return by April 15<sup>th</sup> and pay as much as you can. We will send you a notice for the balance. This may include additional charges for interest and/or penalty.

Because the penalty for not filing on time is greater (5% per month) than the penalty for not paying on time (1% per month), you should file the tax return on time even if you cannot pay the tax liability.