

Good reasons abound for delaying income tax preparations, family economist notes

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COLLEGE STATION – Large numbers of tax payers may have to delay preparing their returns this year, and the usual April 15 filing deadline has even been extended, according to a Texas AgriLife Extension Service expert.

The Internal Revenue Service needed some time to update their system's regulations after late action by the U.S. Congress in December, said Dr. Joyce Cavanagh, AgriLife Extension personal finance specialist, so returns with certain deductions can not be submitted until Feb. 14.

And since April 15 falls on a Washington, D.C. holiday this year, taxpayers will be given until the following Monday, April 18, to postmark their returns, she said.

(Note: A high res photo and a video are available for this story at http://agrilife.org/today/2011/01/24/delay_tax_preparation/)

The IRS is updating its system primarily to meet three deductions, Cavanagh said.

"Anyone who itemizes their deductions and files a Schedule A will not be able to file until late," she said. "Other deductions that will result in delayed filing are one for educator expenses up to \$250 and one for certain taxpayers who have higher education expenses such as tuition and fees that are not eligible for other credits."

The reason for the need for later filing for the Schedule A is that Congress extended the sales tax deduction, Cavanagh said.

"Particularly in Texas that's important because we do not have a state tax," she explained, noting that in states that require state tax reporting, people may choose between that and sales tax.

The educator tax is for teachers in kindergarten through 12th grade for classroom materials they purchase up to \$250, she said. The higher education tuition and fees deductions are for people who are not eligible for either the Lifetime Learning Credit or the American Opportunity Credit.

"People who will be taking any or all of these deductions on their returns need to know that the IRS estimates it will not be able to accept these until Feb. 14," Cavanagh said.

She said IRS estimates that only about 30 percent of the U.S. taxpayers itemize on their returns. And though processing will not be ready for a few weeks, Cavanagh said, all taxpayers will have an extra three days to file.

Washington, D.C. will observe Emancipation Day on April 15 because April 16 – the date that commemorates the signing in 1862 of the Compensated Emancipation Act – falls on a Saturday this year.

"While that may just give some a few more days to procrastinate, I'd like to encourage those who need help preparing their taxes to look for some of the free tax assistance programs and on the IRS website at www.irs.gov in advance of the filing date," Cavanagh said.

She recommends:

- * Wait until all documents are in hand before beginning tax return preparation.
- * Get help as needed.
- * Participate in electronic filing and direct deposit if money back is expected, in order to get the speediest refund.