

## **WE CAN HELP!**

If you need help resolving a problem with IRS, you can contact our Low Income Taxpayer Clinic to see if you are eligible for free legal assistance.

### **WHAT WE DO**

Our LITC assists with IRS controversy issues, such as the following:

- Earned Income Tax Credit
- Examination/Audits
- Collection issues including lien and levy
- Deficiency notices
- Identity Theft
- Innocent Spouse relief
- Settling tax debts or securing installment agreements

### **WHAT WE DON'T DO**

- We are NOT a tax preparation service
- We do NOT provide substantive tax advice when there is no current issue with the IRS
- We do NOT charge clients for our services



#### **Indiana Legal Services, Inc.**

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Indiana Legal Services is a non-profit law firm that provides free legal services in civil cases for eligible, low-income people in Indiana.

Indiana Legal Services does not discriminate against any person on the basis of race, color, national origin, disability, or age.



# TAX TIPS

## 5 Reasons To File A Late Tax Return



### Did you miss the tax filing deadline?

If so, there are many reasons to still consider filing a late tax return!

**Indiana Legal Services, Inc.**  
LOW INCOME TAXPAYER CLINIC

## Did you miss the tax filing deadline?

Tax day has come and gone, but it's not too late to file your taxes.

Here are **5 REASONS** why you should seriously consider filing your current and past years' tax returns, even though the deadline has passed.

### REASON 1

**There is no penalty for filing late if you don't owe any taxes.**

However, if you had income and didn't file returns to declare it and claim available deductions and exemptions, the IRS may file a return for you and omit those deductions. That might leave you on the hook for taxes you wouldn't have had to pay if you filed the returns yourself!

### REASON 2

**You may have refunds available in past tax years that are available to be claimed.**

However, there is a limit on the amount of time you have to claim those excess funds (generally 3 years). You might be losing out on thousands of dollars. Why not file your returns instead?

### REASON 3

**If you DO owe taxes, you can reduce the amount of penalties and interest added to your tax debt by filing now.**

Failure-to-file and failure-to-pay penalties can quickly increase the amount of taxes you owe, not to mention other possible penalties and interest. File now and save yourself money down the road.

### REASON 4

**Tax-related identity theft is rampant.**

Filing your own returns, even if they're late, may help to prevent you from becoming the victim of identity theft (or identify a time when you were unknowingly a victim in the past). Approximately 19 people fall victim to identity theft every minute! Don't let yourself be one of them.

### REASON 5

**Protect your financial future by being tax compliant.**

If you are self-employed and do not file your taxes, you will not receive credit towards Social Security retirement or disability benefits. You may also have difficulty obtaining loans, since many financial institutions request copies of past returns before approving loans requests, including requests for federal student loans and grants.

## What if filing a return results in a tax debt that I can't afford to pay?

**If you would like to get your taxes sorted out, but you are afraid that you won't be able to pay your tax debt in full, there are collection alternatives available.**

**Installment Agreement Request.** You can request a monthly installment plan if you cannot pay the full amount you owe.

**Offer in Compromise (OIC).** In certain circumstances, the IRS will allow you to pay less than the full amount you owe. Typically, an OIC is accepted if there is doubt about the validity of the debt or whether you can afford to pay it.

**Currently not Collectible (CNC).** If you meet certain hardship criteria, you can seek to be put in a CNC status. Once this is done, the IRS must stop all collection activities, including levies and garnishments. However, the IRS can still take from your tax refunds, and your tax debt will still exist and continue growing due to interest.

**If you would like to take steps to get into full tax compliance, contact us to determine if we can provide **FREE** assistance!**