

Tax Insight–January 2017

New January 31 Deadline for Employers

Employers are now required to file copies of Form W-2 to the Social Security Administration by January 31. This new filing deadline also applies to Form 1099-MISC, which report non-employee compensation such as payments to independent contractors.

Prior to the change, employers had until the end of February (if filing on paper) or the end of March (if filing electronically) to submit their copies of these forms.

In addition, there are changes in requesting an extension to file the Form W-2. Only one 30-day extension to file Form W-2 is available; this extension is not automatic. If an extension is necessary, Form 8809, *Application for Extension of Time to File Information Returns*, must be completed before January 31.

The new accelerated deadline will help the IRS improve its efforts to spot errors on returns filed by taxpayers. Having these W-2 and 1099 forms earlier will make it easier for the IRS to verify the legitimacy of tax returns and properly issue refunds to taxpayers eligible to receive them. In many instances, this will enable the IRS to release tax refunds more quickly than in the past.

The January 31 deadline has long applied to employers furnishing copies of these forms to their employees. That date remains unchanged.

Some Refunds Delayed in 2017

Due to new rules, the IRS can't issue refunds before February 15 to taxpayers who claim the Earned Income Credit (EIC), American Opportunity Tax Credit (AOTC) or the Additional Child Tax Credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

As in past years, the IRS will begin accepting and processing tax returns once the filing season begins. All taxpayers should file as usual, and tax return preparers should also submit returns as they normally do. Even though the IRS cannot issue refunds for some early filers until at least February 15, most refunds will still be issued within the normal timeframe: 21 days or less after being accepted for processing by the IRS.

Quote Corner

“There is nothing on this earth more to be prized than true friendship.” ~Thomas Aquinas

Did You Know?

Earth is the only planet in our solar system that has liquid water on its surface.

Questions?

Please feel free to give us a call if you have any questions, or would like help filing your 2016 Income Tax Returns.