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Tax Attorney Near 33607 Debunks Tax Myths (part 1)

With the April 15 deadline to file your income tax drawing near, I would like to talk about some common tax myths that people believe. Knowing these beliefs to be wrong would undoubtedly help you more accurately file your taxes, which may in turn save you money or qualify you for a higher tax refund.

Myth #1

If you file for an extension, you will receive an audit

You may think that asking for more time to file your taxes would make the IRS suspicious of you and thus result in an audit. This is not true. The IRS does not reveal how they determine who to audit so that they do not tip of the tax dodgers. But there is no reason to think that just by filing for an extension to submit your tax returns you will get audited.

In fact, submitting your taxes later but accurately would reduce the chances of getting audited because there would be no ambiguity and mismatch between your filing and the IRS records. To receive an extension, just submit a Form 4868 by the April 15 deadline.

Myth #2

If you file for an extension, you can pay later

Sorry, this is not true either. No matter whether you request for an extension or not, you have to pay up what you owe by the April 15 deadline. If you request for an extension at the same time, you still need to pay an estimated amount of what your tax liability would be.

Myth #3

If you choose e-filing, your are more likely to be audited

As I mentioned above, the IRS does not reveal its criteria for who gets chosen to be audited. In fact, IRS spokeswoman Michelle Eldridge has confirmed that the way the IRS determines who is audited has nothing to do with how your tax returns are filed. People file their tax returns in various ways for their own reasons; some choose to do so electronically, some choose to use snail mail. The means of filing does not have any bearing on who gets audited. Again, e-filing may reduce your chances of getting audited because it is usually more accurate.

Myth #4

If you run your own business, you can deduct all your expenses from your taxable income

You can only deduct expenses related to your business. You are not entitled to deduct personal expenses that are not business related or that have been reimbursed to you by another party. A good example is your car. If you the car is used for both business and private use, you can only deduct the percentage of time it is used for your business.

I will continue with more tax myths in my next article.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.