



TAX UPDATE

CALENDAR-YEAR C CORPORATIONS ALLOWED A SIX-MONTH EXTENSION FOR 2016 FORM 1120

The Internal Revenue Service has announced that despite a recent tax law change that suggests otherwise, C corporations can indeed continue to receive a six-month extension to file their 2016 Form 1120. Since the new due date for 2016 calendar-year C corporation tax returns is April 15, 2017, these tax returns can be extended to October 16, 2017 (October 15, 2017 is a Sunday).

This announcement is a departure from wording included in The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 which indicated that only a five-month extension would be allowed and the extended due date would be September 15, 2017. The IRS has indicated on its website that IRC Section 6081(a) grants the IRS the authority to allow for a longer extension period, and that the six-month extension referenced in the Form 7004 (Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns) instructions is indeed correct.

QUESTIONS?

If you have any questions regarding information in this Update, please contact Charles E. Marston at (724) 934-0344 or cmarston@srsnodgrass.com.