

## **Things You Should Know about Filing Late and Paying Penalties**

April 18 was this year's deadline for most people to file their federal tax return and pay any tax they owe. If you are due a refund, there is no penalty if you file a late tax return. If you owe tax, and you failed to file and pay on time, you will most likely owe interest and penalties on the tax you pay late. To keep interest and penalties to a minimum, you should file your tax return and pay the tax as soon as possible. Here are some facts that you should know.

1. **Two penalties may apply.** One penalty is for filing late and one is for paying late. They can add up fast. Interest accrues on top of the penalties.
2. **Penalty for late filing.** If you file your 2015 tax return more than 60 days after the due date or extended due date, the minimum penalty is \$205 or, if you owe less than \$205, 100 percent of the unpaid tax. Otherwise, the penalty can be as much as five percent of your unpaid taxes each month up to a maximum of 25 percent.
3. **Penalty for late payment.** The penalty is generally 0.5 percent of your unpaid taxes per month. It can build up to as much as 25 percent of your unpaid taxes.
4. **Combined penalty per month.** If both the late filing and late payment penalties apply, the maximum amount charged for the two penalties is 5 percent per month.
5. **File even if you can't pay.** Filing on time and paying as much as you can will keep your interest and penalties to a minimum. If you can't pay in full, getting a loan or paying by debit or credit card may be less expensive than owing the IRS. If you do owe the IRS, the sooner you pay your bill the less you will owe.
6. **Payment Options.** Explore your payment options on our website at [IRS.gov/payments](http://IRS.gov/payments). For individuals, [IRS Direct Pay](#) is a fast and free way to pay directly from your checking or savings account. The IRS will work with you to help you resolve your tax debt. Most people can set up a payment plan using the [Online Payment Agreement tool](#) on [IRS.gov](http://IRS.gov).
7. **Late payment penalty may not apply.** If you requested an extension of time to file your income tax return by the tax due date and paid at least 90 percent of the taxes you owe, you may not face a failure-to-pay penalty. However, you must pay the remaining balance by the extended due date. You will owe interest on any taxes you pay after the April 18 due date.

*Source: IRS Tax Tip 2016-66*