

# Dental Practices: File on Time or Pay the Price!

March 15 is the tax-filing due date for calendar year S-corporations and partnerships. While this filing deadline does not require making a tax payment, missing the due date could cost you a hefty penalty.

## The penalty

The penalty is calculated based on each partial month the tax return is late multiplied by each shareholder or partner. So a tax return filed 17 days late with no tax due could cost a married couple who jointly own a small S-corporation \$800 in penalties!\*

## Take action

Here are some ideas to help you avoid penalties:

- **File on time.** If you are a partner or shareholder of an S-corporation or partnership, file your dental practice's tax return on or before March 15. In addition to the penalties, filing late shortens the time you have to file your individual tax return and pay the taxes due by April 15.
- **Consider an extension.** If you cannot file the tax return in time, file an extension on or before March 15. An extension gives you six months to file and you do not owe the tax until your Form 1040 tax return due date of April 15.
- **Your personal tax return may be delayed.** Do not file your Form 1040 tax return until you receive all your K-1s from each of your S-corporation and partnership practice activities. Be prepared — If the practice files an extension, it's possible you may need to extend your personal tax return while you wait for the K-1. This does not extend the due date for paying taxes owed.
- **Challenge the penalty.** While you may not be successful, it doesn't hurt to try to abate the penalty. This is especially true if you file and pay your personal taxes on time. Kindly remind the US Treasury it is still receiving the taxes owed to them in a timely manner.

If you haven't filed your S-corporation or partnership return for 2018, there's still time to get it done or file an extension. Please call if you need assistance.

*\* The penalty calculation for 2018 S-corporations is \$200 (\$210 for partnerships) per calendar month late, multiplied by the number of shareholders. So a S-corporation or partnership return filed on April 1 is considered two months late!*