

Highway funding bill changes annual US return filing deadlines

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President Obama signed a short-term highway funding bill in July that includes several tax-raising provisions. As described below, this bill makes changes to annual US tax return filing deadlines.

Adjust filing deadlines—US partnership and S corporation returns will be due March 15 (or two-and-a-half months after the tax year) while individual, C corporation and trust returns will be due April 15 (or three-and-a-half months after the tax year). Automatic six-month extensions will be available for all returns except trusts, which will have five-and-a-half-month extensions.

The changes will generally be effective for tax years beginning in 2016, except calendar-year C corporations which will get only a five-month extension until 2026. C corporations with tax years ending on June 30 will use their current filing deadlines until 2026.

The provision will also make changes to employer plan reporting deadlines and will make Reports of Foreign Bank and Financial Accounts (FBARs) due with the individual return on April 15 (with an automatic six-month extension available).

Impact—While most US C corporations are not ready to file tax returns two-and-a-half months

after year-end, it will be interesting to see if the extra month will allow more C corporations to file without an extension. Most C corporations routinely file extensions and are required to determine their tax liability with such extensions, so the extra month may not make a practical impact on C corporations.

The change to the US partnership filing deadline to two-and-a-half months from year-end will likely result in more partnerships filing for extensions. As US partnerships are often under contractual obligations to provide Forms K-1 to partners by certain timeframes (to allow partners to file their tax returns), this change may not be welcomed by many US partnerships.

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