



PAUL G. DION  
Certified Public Accountant  
22 West Street  
Millbury, MA 01527



## Extension Agreement – Tax Year 2023 1040 Individuals

The annual deadline to file your individual income tax return (Form 1040) is April 15<sup>th</sup>.

Our policy is to work on returns in the order they are received, substantially complete, in our office. Accordingly, if we did not receive your information by March 15<sup>th</sup>, it appears that an extension may be necessary for your return.

Returns are granted an extension for the due date of filing, but that does not extend the time you have to pay your taxes. The final tax owed is expected to be paid by April 15<sup>th</sup> (or the following business day if it falls on a weekend or holiday) regardless of whether or not an extension has been filed. By signing, you acknowledge the following statements:

- The true purpose of an extension is to further clarify information and ensure the accuracy of the information being reported to the IRS.
- The tax liability is your responsibility. *Payment in full is expected by April 15, with or without an extension.*
- The lack of an accurate extension payment to cover your tax liability may result in penalties and interest.
- A timely filed extension with a payment of at least 90 percent of the tax due may eliminate the failure-to-pay penalty.
- If we receive your information late, it reduces our ability to process your information to the point that an accurate estimate of your tax liability can be made.
- Failure to send us all your information to complete your tax return prior to the extension deadline may result in the nullification of your extension and failure to file penalties, which will be your sole responsibility.

Our Extension filing fee is \$25, plus a down payment of at least 50% of your tax preparation fee.

All extensions are six months. [The 2023 filing deadline for individuals on extension is October 15, 2024.](#)

There are no additional extensions. It is your responsibility to send us all of your materials in a timely manner.

### LATE FEES WILL APPLY TO DOCUMENTS RECEIVED AFTER JULY 1<sup>ST</sup>

- Information received after July 1<sup>st</sup> will result in a \$75 late fee per month
- Information received after September 1<sup>st</sup> will result in a \$125 rush fee.

By providing your information to us, you are agreeing to the terms set forth in our standard engagement letter, and that if needed, we will file an extension for your federal and state tax returns. You are also agreeing that no extension payment will be calculated by our office. This may result in penalties as described above, and those penalties and any resulting interest will be your sole responsibility. This acknowledgement and the terms within our engagement letter represent the entire agreement regarding our tax preparation services and supersedes all prior agreements, written or oral, regarding our services.

By signing below, you are acknowledging and agreeing to the terms set forth above.

APPROVED BY:

(Taxpayer) \_\_\_\_\_ (Spouse) \_\_\_\_\_

I have read the above terms of the engagement letter and agree with the terms of this engagement.

Print Names: \_\_\_\_\_ DATE: \_\_\_\_\_

*Upon advice of counsel, our policy is to begin work only after receipt of this signed letter & your payment.*

Paul Dion, CPA



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## Extension Payment Request 2023 Tax Year

### **INSTRUCTIONS: Please check *either* Box A or Box B.**

- If you check Box B, please indicate whether 1. you will make a payment yourself or 2. you would like our office to schedule the payment on your behalf *when we e-file your extension*.
- If option 2 is selected, enter the Amount(s) and fill out section 2 with your bank information.
- **If you check option B, you MUST include the amounts** (see next page for help determining amount)  
If no amounts are entered, a payment will NOT be made with your extension. Instead, you will receive a blank payment voucher on your portal. **You must print the voucher and mail it with your check.**

☐ A. I am NOT making any payments with my extension, neither on my own nor through Paul Dion CPA PC.

☐ B. I will make the following payments with the filing of my 1040 extension:

- Federal: \$\_\_\_\_\_ ☐ 1. Check/IRS website or ☐ 2.\* EFT w/extension filing (*sign below*)
- (State)\_\_\_\_\_: \$\_\_\_\_\_ ☐ 1. Check/DOR website or ☐ 2.\* EFT w/extension filing (*sign below*)
- (State)\_\_\_\_\_: \$\_\_\_\_\_ ☐ 1. Check/DOR website or ☐ 2.\* EFT w/extension filing (*sign below*)
- (State)\_\_\_\_\_: \$\_\_\_\_\_ ☐ 1. Check/DOR website or ☐ 2.\* EFT w/extension filing (*sign below*)

☐ 2.\* I authorize Paul Dion CPA PC to schedule a direct debit from my bank account to the IRS and/or State(s) indicated **for the amounts listed above** from the following bank account:

Bank Name: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

☐ Business Checking ☐ Personal Checking ☐ Savings

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Client Name (Print): \_\_\_\_\_



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## An Extension to File is NOT an Extension to Pay There is NO extension to pay!

### Extension Facts:

- Filing an extension by April 15<sup>th</sup> gives you an additional six months to *file* your tax return, but it does NOT give you extra time to pay if you owe.
- If you have not paid at least 80% of your total tax liability by April 15<sup>th</sup>, you will owe Failure to Pay penalties and interest on the unpaid amount after you file, regardless of extension.
- If you do not file an extension or do not file by the extension deadline, you will have additional Failure to File penalties in addition to Failure to Pay penalties.
- The National Average is that 25% of all taxpayers file extensions
- If you file an extension, you do *not* get automatically audited; you will *not* go to jail; you will *not* collect \$200 for going past *Go!* 😊

To estimate how much you should pay with your extension to meet the 80% payment minimum:

- Look at last year's tax return: Form 1040, page 2, Line 24: "TOTAL TAX."  
(You can do the same with state taxes by locating the line "total tax" on your state tax return)
- Now, subtract anything you have already paid into the IRS (W2 withholdings, Estimates, etc).
- The result is a rough estimate of what you will owe this year if your tax situation is similar.
  - If you had more income this year than last, increase the amount you pay with extension.
  - If you had less income this year than last, you may decrease the amount if you want  
(any overpayments will be refunded; underpayments may be penalized)

If you want to make an electronic payment when we e-file of your extension:

- Fill out the Extension Payment Request form on the former page

If you want to make a payment on your own:

1. Follow the instructions on the extension voucher to either pay online or send a check
2. Fill out the form on the next page and check the box "Check" (skip the bank info section)
3. Enter the amounts paid on your own with your extension so we can properly apply it to your tax return
  - Even if you pay on your own, we will still e-file the federal extension for you (states must be paper filed)
  - **NOTE: An Estimated Tax Payment and an Extension Payment are NOT the same thing.**  
(Estimates are required tax payments for some individuals and have quarterly deadlines.)  
If **you pay online, be sure to select "EXTENSION" and NOT "Estimate"** for your payment type or you might incur penalties or nullify your extension.

**\*KEEP A RECORD OF YOUR PAYMENT!** And send us a copy so we can include the payment on your return!

I'm filing an extension, but I normally pay Estimates and Quarter 1 is due April 15<sup>th</sup>! What should I do?

- Either: Print a blank payment voucher from irs.gov (<https://www.irs.gov/pub/irs-pdf/f1040es.pdf>) or ask us to prepare a first quarter Estimated Payment Voucher for you based on last year's numbers or for a blank voucher that you can fill in whatever amount you choose.
- Be sure to write "2025 Form 1040-ES" and the last 4 digits of your social security number on your check, or they may apply it to the wrong year or wrong account.
- Make checks payable to the "United States Treasury," ...not "IRS"!