

C Corporations Qualify for Automatic 6-Month Extension

Cross References

- Form 7004, *Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns*

Under the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (Public Law 114-41), the due date for filing calendar year C corporation returns was changed from March 15 to April 15. The automatic extension for filing calendar year C corporation returns was also changed from six months to five months. Thus, the September 15 extended deadline for filing calendar year C corporation returns remained the same under the old and new rules (six months from March 15 is September 15 and five months from April 15 is September 15). The new filing and extension deadlines are effective for calendar tax years beginning after December 31, 2015.

The revised IRS instructions for the 2016 Form 7004, however, do not change the extension deadline from six months to five months. Part I of Form 7004 which applies to C corporations with tax years ending December 31 states the automatic extension of time to file is six months (October 16, 2017 for 2016 calendar year C corporations).

On February 8, 2017, the IRS issued a statement on the instructions for Form 7004. The statement assures the tax professional community that the instructions for Form 7004 correctly reflects that calendar year C corporations are eligible for an automatic 6-month extension of time to file their income tax returns. Although IRC section 6081(b) provides a 5-month automatic extension period for calendar year C corporations, the IRS is granting a 6-month automatic extension under IRC section 6081(a) instead. This change is reflected in the new revision of the instructions for Form 7004.