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New IRS instructions: Form 7004 automatic extension of time to file business income tax, other returns

The IRS has released revised instructions (Rev. December 2017) for Form 7004.

The [instructions](#) [PDF 132 KB] for Form 7004, *Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns*, reveal the following measures are new:

- Form 7004 has been revised, and now consists of two parts—Part I includes all the forms for which 7004 is used to request an automatic extension of time to file, and Part II includes questions for all filers.
- The address for filing Form 7004 has been changed for certain entities located in Georgia, Illinois, Kentucky, Michigan, Tennessee, and Wisconsin.

The revised version of [Form 7004](#) [PDF 69 KB] was released by the IRS in January 2018.

KPMG observation

The instructions reiterate that the IRS will not notify a taxpayer that the extension request has been approved, but will notify the taxpayer only if the request for extension is disallowed. Tax professionals have observed that it is a good practice to contact the IRS to confirm that an extension request has been processed and approved.

Reminder

The maximum automatic extension period generally is six months, with certain exceptions. The exceptions include:

- Five and one-half months (5½ months) for estates (other than bankrupt estates) and for trusts filing Form 1041
- Seven months for C corporations with tax years ending June 30

The instructions clarify that a corporation with a short tax year ending anytime in June is treated as if the short tax year ended on June 30.

KPMG observation

On the 2016 version of Form 7004, the categories of returns were grouped by the maximum automatic extension period allowed based on the type of return and the tax year-end. The new Form 7004 does not separate the subject returns by the maximum allowable extension period, but lists all forms in Part I.

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