



Norwalk Business Service

Incorporated

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An Extension is filed to give you more time to file your return without a Late Filing Penalty. If you owe any tax when you file you will need to pay interest on that and a Late Payment of Tax Penalty. For most taxpayers, the penalty is due if the amount of tax owed exceeds of 10% of your total tax. If you owe less than \$1000.00, the penalty does not apply. The extension will not get you out of paying interest or late payment of tax penalty on any amount owed.

If you normally get a refund each year and your income has not changed a lot, we will file your extension and no payment is due.

If you have an increase in income, sold property at a gain, have larger than normal capital gains then you need to pay money in with your extension to avoid Interest and the Late Payment of Tax Penalty.

Generally, you should pay in the additional tax based on your marginal rate of the prior year. The average marginal rate is 22% to the IRS and 9.3% State. We also have a letter with instructions on how to pay both the IRS and State of California online

Enrolled To Practice Before The Internal Revenue Service
E-mail nbsinc@nbs-tax.com • www.nbs-tax.com