**BizBoost News
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**Need to Correct Your Already-Filed Tax Return?**

There is now a choice for tax professionals who need to make changes to a tax return that has already been filed with the IRS.

**Superseding vs. Amended Tax Returns**

You’re likely already familiar with the amended tax return. An amended return is filed subsequent to the originally-filed or superseding return and *after* the due date (including extensions).

Introducing the superseding return: A superseding return is a revision of an originally-filed return that is submitted within the current filing period (before that return’s due date, including extensions).

A superseding return “supersedes” (replaces) the original return rather than amending it.

**When Should a Superseding Return Be Used?**

Although the issue of superseding returns goes back to a court case from the 1940s, it has recently gained attention again, in part because of processing and guidance delays associated with the COVID-19 pandemic. Some of the more common situations that have come up where a superseding return could be relevant include:

* There are additional reporting requirements that come out after submission of the original return, but before the due date, that must be addressed to ensure compliance (a more recent example of this relates to Payroll Protection Program (PPP) expense deductibility and disclosures).
* A taxpayer expedites filing of their return (for example, to provide it for dependent financial aid purposes or, more recently, to take advantage of COVID-related stimulus payment/recovery rebate relief), and then receives a form or discovers missing information after-the-fact that must be factored into the return.
* The IRS or State requires filing of a new form, but it is not finalized or available for e-file until after the original filing deadline, so the taxpayer files the return but must add the applicable form(s) later to ensure compliance (a recent example relates to new foreign reporting on Schedules K-2 and K-3).
* A taxpayer files a return and neglects to make or change an important binding election; although the election cannot be made or revoked on an amended return, it can be on a superseding return because that return replaces the original filing and is generally treated as the original return (one example of this would be the *de minimis* safe harbor election, which must be made every year and is irrevocable).
* A taxpayer erroneously files a blank or incomplete return and wants to avoid underreporting or other accuracy-related penalties.

**When and How to File a Superseding Return**

As noted, a superseding return must be filed on or before the due date for the current filing period, including extensions. Individual superseding returns must be paper filed, and the filing must include a whole new copy of the 1040 return with the applicable changes factored in (with all necessary schedules and attachments) and should have “SUPERSEDING RETURN” written across the top of the first page. Although individual superseding returns cannot be electronically filed, many tax programs now support e-filing of superseding corporate and partnership returns, which typically ensures faster processing.

It is important to note that although the recommendation is to file a superseding individual return on a regular 1040 form, as you would ordinarily file the original return, any amended personal returns that are filed before the due date (including extensions) will *automatically* be treated as superseding, so you also have the option to just file Form 1040-X.

Additionally, some tax professionals recommend the strategy of filing extensions for all clients each year, even if the plan is to file prior to the original filing deadline, because if a taxpayer files a return by the original due date and discovers an error after that date, but before the extended due date, a superseding return can still be submitted. This is not an option for returns that were not put on extension – once the initial deadline passes, only an amended return can be submitted to report any changes.

If you’d like to discuss this topic and how it might affect your tax return filing, please reach out any time.

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Tweets

Insert a link to your newsletter, website or blog before you post these:

Our latest blog: “Need to Correct Your Already-Filed Tax Return?” is available now! Subscribe here: [link]

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Introducing the superseding return: A superseding return is a revision of an originally-filed return that is submitted within the current filing period (before that return’s due date, including extensions). Learn more in our latest blog article: [link]

#BusinessTip: Although individual superseding returns cannot be electronically filed, many tax programs now support e-filing of superseding corporate and partnership returns, which typically ensures faster processing. Learn more here: [link]

Do you know the difference between superseding and amended tax returns? Learn the differences and which one is best for you in our latest blog article: [link]

DID YOU KNOW… An amended return is filed subsequent to the originally-filed or superseding return and after the due date (including extensions). A superseding return “supersedes” (replaces) the original return rather than amending it. Learn more here: [link]

Although the issue of superseding returns goes back to a court case from the 1940s, it has recently gained attention again, in part because of processing and guidance delays associated with the COVID-19 pandemic. Learn some of the more common situations that have come up where a superseding return could be relevant in our latest blog article: [link]

Have you learned about superseding tax returns yet? This return is different from an amended return in many ways. Sign up for our newsletter to learn more: [link]