

Name _____

Tax Troubles: What Happens if You Don't Pay on Time?

Short Answer Key

1. Two consequences of not filing your tax return on time are the late filing penalty and interest charges on unpaid taxes.
2. The late filing penalty is calculated as a percentage of the unpaid taxes.
3. Paying as much of your tax bill as possible by the due date reduces penalties and interest charges and demonstrates good faith to the IRS.
4. If you continue to ignore your tax bill, the IRS may take measures such as garnishing wages, placing liens on property, or seizing assets.
5. Possible tips for avoiding tax problems include filing on time, paying what you owe by the due date, seeking professional help if needed, keeping accurate records, and addressing IRS notices promptly.

