

**2008 Instructions for Form 7004, Application for Automatic Extension of Time To
File Certain Business Income Tax, Information, and Other Returns**

Purpose: This is the first circulated draft of the 2008 Instructions for Form 7004 for your review and comments. See the next page for a discussion of the major changes.

TPCC Meeting: None, but may be arranged if requested.

Prior Version: The 2007 instructions for Form 7004 are available on pages 2 through 4 of the 2007 Form 7004 at: <http://www.irs.gov/pub/irs-pdf/f7004.pdf>

Form: The 2008 Form 7004 was circulated earlier and is attached to the end of this document.

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments to me and email any comments to Daniel.V.Brooks@irs.gov by **October 8, 2008**.

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Memo of Major Changes for 2008 Instructions for Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

We have made the Instructions a separate product from the Form 7004. Changes to Form 7004 were addressed in a separate circulation, which appears at the end of this document.

Because the form has been redesigned to accommodate the changes made by TD 9407 and Prop. Regs. 54.6081-1(a), the Instructions have also been redesigned. Certain text sections have been moved, and all page and line references have been updated to conform to the redesign of Form 7004. TD 9407 reduced the automatic extension of time to file period for Form 1065, Form 1041, and Form 8804 from 6 months to 5 months. Prop. Regs. 54-6081-1(a) permits filers of Form 8928, Return of Certain Excise Taxes Under Chapter 43 of the Internal Revenue Code, to use Form 7004 to request an automatic 6-month extension of time to file.

In the “What’s New” section, we deleted the text from the last revision. In its place, we have written text that briefly explains the changes made to the form. Separate paragraphs note that the form has been divided into three parts, that Form 1065, Form 1041, and Form 8804 qualify for only an automatic 5-month extension, and that Form 7004 can now be used to file for an extension for Form 8928.

Under “Purpose of Form”, we added a section on “Automatic 5-month extensions”, and revised the section on “Automatic 6-month extensions”.

Under “No Blanket Requests”, we have added a “Caution” to let filers know that they are not permitted to enter form codes in both line 1a and line 1b.

Under “Extension Period”, we revised the text to remove references to a 6-month extension. We also deleted the last line about not requesting a second extension, because the revised text makes it clear that filing Form 7004 will result in getting the maximum extension allowed.

Under “Payment of Tax”, in the section entitled “Penalty for late filing of return”, we increased the minimum penalty amount from “\$100” to “\$135”. Per Section 303 of PL 110-245, this increase applies to the applicable returns listed on Form 7004 that are required to be filed after December 31, 2008. Since this penalty would be mentioned in the “What’s New” in the instructions for the specific tax return, and the penalty is not mentioned anywhere on Form 7004, we did not see a need to add a “What’s New” item to the Instructions for Form 7004.

Under “Specific Instructions”, we added headings for Part I, Part II, and Part III, to conform to the new headings on Form 7004. For instructions for the individual lines, we deleted the text in the heading that described the line, because the text was redundant.

The exception to this is the text for the heading of line 4, as that text is needed to explain the purpose of the line and its separate instructions.

We deleted the Line 1 instructions, and in its place, we added instructions for “Line 1a” and “Line 1b”. The line 5 instructions on the 2007 revision are now the line 3 instructions. The line 3 instructions on the 2007 revision are now the line 4 instructions. The line 4a and 4b instructions on the 2007 revision are now the line 5a and 5b instructions respectively.

In the “Where To File” section, in the next to last box (the one that begins with “1065”), we have deleted Form 1120-A, as that form is now obsolete. In this same area, based on an email received in July, we have moved the states of Georgia and Tennessee from the set of states that begin with “Alabama” to the set of states that begin with “Connecticut”. In certain circumstance some Forms 7004 will now be filed in at the Cincinnati Service Center instead of the Ogden Service Center.

We expect to make further changes to the “Where To File” section. At the time this memo was prepared, it had not yet been determined where extensions for Form 8928 would be filed. When that is determined, we will add Form 8928 to the appropriate part of the “Where To File” section.