



How to Amend a Tax Return

Originally published March 27, 2014. Updated to reflect current IRS guidance.

Finding a mistake after you've filed your tax return can make your stomach drop. Perhaps you overlooked a client payment, missed a business deduction, or entered the wrong filing status.

Fortunately, filing your return doesn't close the door on correcting it. An amended return lets you update information you previously reported and settle any resulting difference in tax.

The first step is deciding whether an amendment is necessary.

When You May Not Need to Amend

The IRS often catches and corrects arithmetic errors during processing. It may also accept a return missing certain forms or schedules, or contact you for additional information.

A missing attachment doesn't automatically mean you should file an amended return. If the IRS sends a notice requesting documents, follow its instructions. But don't assume the IRS will discover unreported income or claim an overlooked deduction for you. [IRS: Correcting a Filed Return](#)

When an Amended Return Is Needed

You generally should amend when you need to correct your:

- Filing status, subject to the rules governing that change.

- Income, including omitted freelance earnings.
- Deductions or credits.
- Dependents, tax withholding, or other information affecting your tax bill.

A correction may produce an additional refund—or additional tax to pay. [IRS: Amended Returns](#)

If you were required to report foreign financial assets on **Form 8938** and omitted it, the IRS instructs you to attach the missing form to an amended return. This reporting requirement can apply even when the correction doesn't change your tax bill. [IRS: Form 8938 Questions](#)

Start With Form 1040-X

Use **Form 1040-X, Amended U.S. Individual Income Tax Return**, to correct a previously filed individual return. Gather your original return, any previous amendments or IRS adjustments, and the records supporting your changes.

The form's three columns provide a useful framework:

- **Column A:** The original amounts, reflecting any previous adjustments.
- **Column B:** The increase or decrease.
- **Column C:** The corrected amounts.

Prepare a separate Form 1040-X for each tax year you're correcting, and use the tax rules applicable to that year. [IRS: Form 1040-X Instructions](#)

Freelancer Example: An Overlooked Client Payment

Suppose Jordan, a freelance writer, files a return reporting **\$48,000 in business revenue** and **\$8,000 in deductible expenses**. The resulting Schedule C profit is **\$40,000**.

Later, while reconciling bank statements, Jordan discovers a **\$3,000 client payment** received during the tax year that never made it into the bookkeeping records.

The correction looks like this:

Business income item	Originally reported	Corrected amount
Revenue	\$48,000	\$51,000
Deductible expenses	\$8,000	\$8,000
Net profit	\$40,000	\$43,000

Jordan needs to correct Schedule C and recalculate the related portions of the return, including self-employment tax and its associated deduction. Other deductions or credits may also change.

The additional tax is **not automatically \$3,000**. That is the increase in business profit; the tax difference depends on Jordan's full tax situation.

A clear explanation would read:

"I omitted a \$3,000 client payment received during the tax year from Schedule C gross receipts. I increased gross receipts from \$48,000 to \$51,000 and net profit from \$40,000 to \$43,000. I recalculated the related tax amounts."

Before amending, Jordan should confirm that the payment wasn't already included elsewhere. A newly received income statement doesn't necessarily mean there is new income to report.

Missed Expenses Can Matter, Too

Now suppose Jordan instead discovers **\$1,200 in eligible business software expenses** that were paid during the year but left out of the original return.

With revenue unchanged at \$48,000, adding those expenses would reduce the originally reported \$40,000 profit to **\$38,800**. That could reduce the tax bill and produce a refund.

However, a \$1,200 deduction does not mean a \$1,200 refund. The actual savings depend on the recalculated return. Keep the receipts and payment records supporting the correction.

Explain the Change and Include the Required Documents

Use the form's **Explanation of Changes** section to say what changed and why. Identify the affected income, deduction, or credit and provide the relevant amounts. On the current form, this is Part II; older versions used Part III.

Include the corrected schedules and required supporting forms. Current instructions also require paper filers to attach a completed, updated Form 1040, 1040-SR, or 1040-NR. Follow the attachment instructions rather than sending every receipt in your files. [IRS: Form 1040-X Instructions](#)

Pay Additional Tax Promptly

If you discover the error before the original payment deadline, correcting the return and paying the additional tax by that deadline can avoid interest and late-payment penalties on that amount.

If the deadline has passed, pay as soon as possible to limit further charges. An extension to file generally does not extend the payment deadline. [IRS: Amended Returns and Balances Due](#)

Watch the Deadline for Claiming a Refund

Generally, a refund claim must be filed within **three years after you filed the original return or two years after you paid the tax, whichever is later.**

A return filed before its regular due date is generally treated as filed on that due date. Special rules and limits can affect both the deadline and the amount recoverable, so check the instructions when an older return is involved. [IRS: Refund Claim Deadlines](#)

Electronic Filing May Be Available

The original version of this article said amended returns had to be mailed. That has changed.

Eligible individual returns for the current and two prior tax periods can now be amended electronically through participating tax software. Older returns and some other situations still require paper filing. Check eligibility with your software provider before submitting. [IRS: Amended Return Filing Options](#)

Check Your State Return and Track Progress

A federal correction may also affect your state return, particularly when it changes adjusted gross income. Review your state's requirements to determine whether a separate amendment is necessary.

The IRS generally advises allowing **8 to 12 weeks** for processing, although some amendments take up to **16 weeks**. You can check **Where's My Amended Return?** or call **866-464-2050**, beginning about three weeks after filing. [IRS: Status and State Return Guidance](#)

Keep a complete copy of the amendment, its supporting documents, and proof of submission or mailing. Clear records make it easier to answer questions—and avoid repeating the same mistake next year.