

New Developments on the Filing and Payment Extension for Federal Income Tax Returns and Payments Originally Due on April 15, 2020

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Events are changing rapidly. This post will be continually updated, please check back frequently for more.

Relief Expanded in Some Areas, Limited in Other Areas

The Treasury Department has continued to issue guidance regarding the scope of the extension to July 15, 2020 for income tax filings and payments otherwise due on April 15, 2020. The new guidance supplements Notice 2020-18, which clarified the scope of the 90-day tax extension first announced on March 17, 2020, and which superseded earlier guidance issued on March 18, 2020 in Notice 2020-17. Notice 2020-18 generally provides that federal income tax returns and payments otherwise due on April 15, 2020 are now due on July 15, 2020. The supplemental guidance includes another notice, IR-2020-58, and an FAQ that is now available on the IRS website [here](#).

What's New:

- Taxpayers that need an extension beyond July 15, 2020 must still request one. According to the FAQ, taxpayers seeking an extension beyond July 15, 2020 for income tax returns originally due on April 15, 2020 may request the extension on or before July 15, 2020. Such extensions will extend until October 15, 2020. Taxpayers should still pay taxes due with the extension request.
- According to the FAQ, the deadline for making 2019 IRA and HSA contributions has been extended to July 15, 2020.
- According to the FAQ, transition tax installment payments under Internal Revenue Code Section 965(h) that would otherwise have been due on April 15, 2020 are now due on July 15, 2020, despite the fact that such payments are generally for a taxpayer's 2017 or 2018 tax year.

Limitations on the relief have been clarified. In particular:

- State and local tax returns and payments due on April 15, 2020 are not covered by the extension. Taxpayers should check with their state and local tax authorities to determine what

relief such authorities are offering.

- The extension does not apply to information returns.
- Non-income taxes, such as payroll taxes, excise taxes, and estate and gift taxes, are not covered by the extension.
- The extension does not provide relief to taxpayers that made inadequate 2019 estimated tax payments.
- Estimated tax payments due on June 15, 2020 are still due on that date. Thus, 2nd quarter 2020 estimated tax payments are now generally due before 1st quarter 2020 estimated tax payments are due.
- Statutes of limitation for claiming tax refunds have not been extended, so April 15, 2020 deadlines for filing certain refund claims have not been extended.

It is important to note that the FAQ states that “[t]he answers to these questions provide responses to general inquiries and are not citable as legal authority.” While it seems improbable that the IRS will rescind relief that it has announced in the FAQ, changes to the scope of the relief remain a theoretical possibility.

We expect that the federal government will offer further guidance, and we expect to post periodic updates regarding such guidance. Stay tuned.