

Due Date for Payment of Certain Taxes Due April 15, 2020 Postponed to July 15, 2020 Pursuant to IRS Notice 2020-17

Article

March 18, 2020

The Treasury Department issued guidance on March 18, 2020, certain taxpayers to delay payment of income taxes for 90 days. This relief was first described by a Treasury Secretary Mnuchin in a March 17, 2020, press conference.

IRS Notice 2020-17 entitled "*Relief for Taxpayers Affected by Ongoing Coronavirus Disease 2019*" provides for the postponement of the April 15, 2020, due date for making federal income tax payments to July 15, 2020. The extension is available to persons with a federal income tax payment due on April 15, 2020 (the "**affected taxpayer**"). The relief is only available for:

(a) federal income tax payments (including payments on self-employment income) due on April 15, 2020, with respect to an affected taxpayer's 2019 tax year; and

(b) federal estimated income tax payments (including payments on self-employment income) due on April 15, 2020, for an affected taxpayer's 2020 tax year.

Relief is limited to \$10 million for an affected taxpayer who is classified as a consolidated group (as defined in §1.1502-1), up to \$10 million for an affected taxpayer who is a C corporation that does not join in filing a consolidated return, and up to \$1 million for all other affected taxpayers regardless of filing status (collectively, the "**applicable postponed payment amount**"). No interest, penalty or additions to tax for failure to pay will be assessed against an affected taxpayer for unpaid federal income tax up to the applicable postponed payment amount.

IRS Notice 2020-17 does not provide for any extension for the payment or deposit of any other type of federal tax (payroll, gift, and estate) or for the filing of any tax return or information return required to be filed by April 15, 2020. Hence, affected taxpayers must still file any federal tax return or other information return required to be filed by April 15, 2020 (unless an extension is

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filed by April 15, 2020). Finally, affected taxpayers must also still file any state tax return or other information return required to be filed by April 15, 2020, and also pay any state tax shown as due such returns unless similar relief is subsequently granted by applicable state authorities.

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