

Reprieve for Tax Payments for Tax Year 2019

Articles, News March 19, 2020

Steve Mnuchin, Secretary of the Dept. of the Treasury, stated Tuesday (3/17/2020) that the IRS will not impose penalties and interest for late payments made within 90 days of the current payment deadline of April 15, 2020. IRS Notice 2020-17, "Payment relief on account of Coronavirus Disease 2019 (COVID-19) emergency," indicates that the reprieve applies to individuals and unincorporated entities owing up to \$1 million of tax and corporations owing up to \$10 million and clarifies that the new payment due date is July 15, 2020.

The filing deadline was not extended, potentially causing confusion for taxpayers. Those expecting a refund, of course, should file as soon as possible to get their refunds earlier. All taxpayers are encouraged to still file by April 15 even if they cannot pay until later within the 90 day period. Some argue that not extending the deadline to file places a great burden on tax preparers who are being asked to practice social distancing. Taxpayers, however, can file Form 4868 requesting an automatic six-month extension to file if they will not be filing their returns by April 15.

Some additional details were included in an IRS news release posted on the same day as the Notice. The news release provides that those owing estimated payments for tax year 2020 that would otherwise be due on April 15 will also be granted the same relief and that the relief granted to individuals and unincorporated entities includes trusts and estates.

Also keep in mind that many states have tax due dates of April 15 but may not have granted the same relief.

For additional information contact Carolyn Whitworth.