



Tax Season Filing Update: IRS Affirms Postponement of April 15, 2020 Filing Deadline

On Friday, March 20, Treasury Secretary Steven Mnuchin tweeted that the April 15, 2020 tax filing deadline will be postponed until July 15. Later that evening the IRS issued Notice 2020-18, making Mnuchin's announcement official. Notice 2020-18 supersedes Notice 2020-17 which was issued on March 18. The new notice affirms that the IRS will automatically treat July 15 as the new deadline for filing federal income tax returns and making federal income tax payments for all taxpayers, including individuals, corporations trusts and estates.

The new July 15 deadline applies to all federal income tax payments due April 15, 2020, *including estimated income tax payments for the 2020 tax year originally due on April 15*. Notice 2020-18 also removes the caps on the amount of tax payments that can be deferred that had been imposed by Notice 2020-17. Finally, in the new notice the IRS is saying that it was *changing*, rather than *extending*, the date for filing tax returns. The significance of that language is that the deadline for making contributions to IRAs, health savings accounts (HSAs) and Archer medical savings accounts (MSAs) for 2019 has also been changed to July 15.

The IRS subsequently released Notice 2020-20, which amplifies Notice 2020-18 by also automatically postponing the due date for filing federal gift tax returns and making federal gift and GSST (generation-skipping transfer tax) payments from April 15, 2020 to July 15, 2020. Taxpayers may choose to file Form 8892 by July 15, 2020 to obtain an extension to **file** their gift tax return (Form 709) by October 15, 2020.

More Questions Answered

With the release of Notice 2020-18 leaving some questions still unanswered, the IRS posted FAQs on their website to help taxpayers navigate their filing and payment responsibilities considering the special relief being provided in response to the COVID-19 pandemic. The FAQs are useful as they answer many of the

questions that were troubling tax practitioners, including whether relief has been granted for the following returns and payments:

- Second quarter 2020 estimated income tax payments due on June 15, 2020: No, these are still due on June 15, 2020.
- Fiscal year 2019 corporate income tax returns and payments: Yes, if your Federal income tax return for your fiscal year ending during 2019 is due on April 15, 2020, whether that is the original due date or the extended due date, your due date is postponed to July 15, 2020. For example, if you are a C corporation with a June 30 fiscal year, your income tax return for the year ended June 30, 2019 was originally due on October 15, 2019. If the return was extended to April 15, 2020, the due date has now been automatically extended until July 15.
- Businesses or other entities that have filing due dates on May 15, June 15 or some other date besides April 15: No, any taxpayers who have filing or payment due dates other than April 15 have not been granted relief. This includes calendar-year public charities and private foundations whose Forms 990, 990-T or 990-PF are due May 15.
- Payroll or excise taxes: No, under Notice 2020-18 normal filing, payment, and deposit due dates continue to apply to both payroll and excise taxes. [However, note that the CARES Act includes a provision allowing businesses to defer payment of the 6.2% employer social security taxes for the period from the date of enactment (March 27, 2020) through December 31, 2020.]
- Section 965(h) installment payments due on April 15, 2020: Yes, for any taxpayer whose Federal income tax return filing due date has been postponed from April 15 to July 15, 2020, the due date of that taxpayer's section 965 installment payment has also been postponed to July 15.
- Estimated payments required under section 59A (Base Erosion and Anti-Abuse Tax, or BEAT): Yes, for any taxpayer whose Federal income tax return filing due date has been postponed from April 15 to July 15, 2020, the due date for Form 8991 and the BEAT payment has been postponed to July 15.

If you expect to file your 2019 income tax return by July 15, you do not need to file any additional forms. If you will not be able to file your return by July 15, you have until July 15 to request an automatic extension to October 15 to file your federal income tax return. To avoid interest and penalties, you must pay any remaining estimated tax liability for 2019 by July 15.

What if You Filed Your 2019 Tax Return and Scheduled Taxes to be Paid by April 15, 2020?

The payment will not be automatically rescheduled to July 15, and if you do nothing the payment will be made on the date you chose. In the FAQs the IRS provides the following instructions for taxpayers:

- If you scheduled a payment through IRS Direct Pay, you can use your confirmation number from the payment to access the Look Up a Payment feature. You can modify or cancel a scheduled payment until two business days before the payment date. The email notification you received when you scheduled the original payment will contain the confirmation number.
- If you scheduled a payment through the Electronic Federal Tax Payment System (EFTPS), click on “Payments” from the EFTPS home page, login, then click “Cancel a Tax Payment” from the left menu and follow the instructions. You must do so at least two business days before the scheduled payment date.
- If you scheduled a payment as part of filing your tax return (authorizing an electronic funds withdrawal), you may revoke (cancel) your payment by contacting the U.S. Treasury Financial Agent at [888-353-4537](tel:888-353-4537). You must call to make a payment cancellation request no later than 11:59 p.m. ET two business days prior to the scheduled payment date.
- If you scheduled a payment by credit card or debit card, contact the card processor to cancel the card payment.

State Taxes

The relief provided by Treasury and the IRS does not apply to state income tax returns or payments. However, responding to the release of Notice 2020-18 many more states, *including Georgia*, announced that they were postponing their filing and payment deadlines from April 15, 2020 to July 15 to be consistent with the new federal deadlines. As of now most, but not all, states have provided relief. However, since not all states have postponed filing and payment deadlines to July 15, or extended all types of returns, it is prudent to confirm that your own state filing obligation(s) has been delayed.

Contact Us

The information above is current as of this writing; the situation remains fluid and the AICPA has requested the IRS to provide additional relief. We will continue to monitor developments related to this year’s filing season and provide updates as necessary. If you have questions regarding your own situation, please contact your Bennett Thrasher tax advisor by calling [770.396.2200](tel:770.396.2200).