TaxNewsFlash

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Notice 2024-7: Relief from additions to tax for failure to pay with respect to certain 2020 and 2021 income tax returns (COVID-19)

The IRS issued Notice 2024-7 [PDF 126 KB] providing automatic relief to "eligible taxpayers" from additions to tax under sections 6651(a)(2) and 6651(a)(3) for the failure to pay with respect to certain income tax returns for 2020 and 2021.

Notice 2024-7 is an additional notice in a series issued by the IRS to provide relief to taxpayers adversely affected by the coronavirus (COVID-19) pandemic.

An eligible taxpayer is any taxpayer:

- Whose assessed income tax for tax year 2020 or 2021, as of December 7, 2023, is less than $100,000, excluding any applicable additions to tax, penalties, or interest
- Who was issued an initial balance due notice (including, but not limited to Notice CP14 or Notice CP161) on or before December 7, 2023, for tax year 2020 or 2021
- Who is otherwise liable during the relief period for accruals of additions to tax for the failure to pay under sections 6651(a)(2) or 6651(a)(3) with respect to an "eligible return" for tax year 2020 or 2021 (including various Forms 1040, 1120, 1041, and 990)

For eligible taxpayers, these additions to tax will be waived or, to the extent previously assessed or paid, will be abated, refunded, or credited to other outstanding tax liabilities, as appropriate, for the "relief period," which begins on the date the IRS issued an initial balance due notice or February 5, 2022, whichever is later, and ends on March 31, 2024. Eligible taxpayers will remain liable for any addition to tax for the failure to pay tax that accrued before or after the relief period. Eligible taxpayers will also remain liable for interest that accrues during the relief period as a result of any underpayment of tax for tax year 2020 or 2021.

Read a related IRS release—IR-2023-244 (December 19, 2023)

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