

GMS Flash Alert

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United States - New IRS FAQs on Federal Tax Filing and Payment Extension

On March 21, 2020, the U.S. Treasury Department and the Internal Revenue Service (IRS) announced special Federal income tax return filing and payment relief in response to the ongoing Coronavirus Disease 2019 (COVID-19) emergency.¹ Today, the IRS released answers to frequently asked questions (FAQs)² related to the relief provided in the Notice. The IRS is using the FAQ format to quickly communicate information to taxpayers. Taxpayers are encouraged to check back regularly, as the IRS will be updating the FAQs periodically.

WHY THIS MATTERS

The Notice was likely welcomed news for taxpayers, but raised a lot of questions as to the extent of relief provided by postponing the April 15 payment and filing due date to July 15. These FAQs address many of the questions raised as to the obligations of taxpayers given the postponed filing and payment deadline.

Filing and Payment Deadline FAQs

October 15, 2020 Extension Requests

A taxpayer who is unable to file his or her 2019 Federal income tax return by the new July 15 due date may request an automatic extension to October 15, 2020 by filing [Form 4868, Application for Automatic Extension of Time](#). This extension request is due by July 15, 2020. However, taxpayers should pay the tax estimated due with the extension request to avoid interest and penalties for filing after July 15, 2020.

Scheduled Payments

For taxpayers who already filed 2019 Federal income tax returns, and scheduled a payment of taxes for April 15, 2020, this scheduled payment will not be automatically rescheduled to July 15. However, taxpayers may cancel or reschedule the payment. See Q14 in the FAQs for details.

2020 Estimated Tax Payments

First quarter 2020 estimated income tax payments are postponed from April 15 to July 15, but the Notice does not affect 2020 estimated income tax payments due on June 15, 2020.

Underpayment of Estimated 2019 Tax Penalty

The Notice does not change the estimated tax requirements or estimated tax penalty for 2019. Taxpayers who underpaid their required estimated tax installments during 2019 for the 2019 tax year are not granted relief from the estimated tax penalty for 2019.

State Tax Liabilities

The relief provided by the Notice applies only to Federal income tax payments. State filing and payment deadlines vary and are not always the same as the Federal filing and payment deadline. State tax agencies should be consulted about changes to state filing and payment requirements.

IRA & HSA Contributions

The relief provided in the Notice extends the due date for making 2019 contributions to Individual Retirement Accounts (IRAs) and Health Savings Accounts (HSAs) to July 15, 2020.

Payroll/Excise Taxes

The relief provided in the Notice does not apply to payroll or excise taxes. Normal filing, payment, and deposit due dates continue to apply to both payroll and excise taxes.

FOOTNOTES:

1 [IRS Notice 2020-18](#). See [Flash Alert 2020-089](#) for prior coverage.

2 See IRS [Filing and Payment Deadlines Questions and Answers](#).

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The above information is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230 as the content of this document is issued for general informational purposes only.

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