

GMS Flash Alert

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United States - Treasury Grants Expanded Payment and Filing Relief

On April 9, 2020, the U.S. Department of the Treasury and Internal Revenue Service (IRS) amplified the federal income tax filing and payment relief previously reported in GMS [Flash Alert 2020-089](#) (March 21, 2020).¹

Last month, the IRS postponed the due date for filing federal income tax returns and making federal income tax payments from April 15, 2020 to July 15, 2020. The new Notice 2020-23 expands upon this relief, and provides that any person with a federal tax payment obligation, or a federal tax return or other form filing obligation specified in the Notice, which is due on or after April 1, 2020 and before July 15, 2020, is automatically postponed to July 15, 2020. This report covers the federal tax payment and filing obligations specified in this Notice of most relevance to international assignees.

WHY THIS MATTERS

The relief provided in Notice 2020-18² was somewhat limited. Although it postponed the federal income tax payment and filing deadline, information returns were not affected. This raised a number of questions that remained largely unanswered by the IRS FAQs³ as to what filings and time-sensitive actions were postponed to July 15, 2020. Additionally, the relief did not cover any payment or filing due date after April 15, 2020 but before July 15, 2020, which would have resulted in taxpayers making second quarter estimated income tax payments originally due on June 15, 2020 before first quarter estimated income tax payments that were postponed to July 15, 2020. This amplified relief in Notice 2020-23 addresses information returns, time-sensitive actions, and covers payments and filings due on or after April 1, 2020 and before July 15, 2020.

U.S. citizens and residents who live and work abroad now have until July 15 to file their 2019 federal income tax returns and pay any tax due. The expanded relief also applies to nonresident alien taxpayers who have no wages subject to U.S. tax and whose normal filing deadline is June 15.

Individual Income Tax Payment and Return Filing

The due date for filing federal individual income tax returns and making federal income tax payments due on or after April 1, 2020 and before July 15, 2020, is automatically postponed to July 15, 2020. This relief includes all schedules, returns, and other forms that are filed as attachments or required to be filed by the due date of the return, including:

- Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts*
- Form 5471, *Information Return of U.S. Persons With Respect To Certain Foreign Corporations*
- Form 5472, *Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*
- Form 8621, *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*
- Form 8858, *Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs)*
- Form 8865, *Return of U.S. Persons With Respect to Certain Foreign Partnerships*
- Form 8938, *Statement of Specified Foreign Financial Assets*
- Schedule H, *Household Employment Taxes*
- Schedule SE, *Self-Employment Tax*

The provided relief also extends to any elections required to be made on a timely filed return or attachment.

Installment payments under section 965(h) originally due on or after April 1, 2020 and before July 15, 2020, are postponed until July 15, 2020.

Need Additional Time?

Individual taxpayers who need additional time to file beyond the July 15, 2020 deadline can request an 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.

2020 Estimated Tax Payments

The Notice postpones the due date for making first quarter and second quarter 2020 estimated income tax payments to July 15, 2020.

Time-Sensitive Actions

The Notice generally postpones the deadline to take time-sensitive actions related to the 2019 tax year to July 15, 2020, including the time to make 2019 IRA contributions and time to withdraw excess IRA or 401(k) contributions.⁴

2016 Unclaimed Refunds

The Notice postpones for 30 days the due dates with respect to certain “Time-Sensitive Government Acts”—such as examinations, cases in Appeals, and filing certain amended returns or submitting payments for which the time for assessment would otherwise expire if the last day for performing such acts is on or after April 6, 2020, and before July 15, 2020.

As a result, for 2016 tax returns, the normal deadline to claim a refund has been extended to July 15, 2020.

FOOTNOTES:

1 IRS [Notice 2020-23](#).

2 IRS [Notice 2020-18](#).

3 See GMS [Flash Alert 2020-104](#) (March 24, 2020) for prior coverage.

4 The relief provided in Notice 2020-23 includes the time-sensitive actions listed in Treas. Reg. § 301.7508A-1(c)(1)(iv) – (vi), Revenue Procedure 2018-58, and an investment election of a taxpayer due to be made during the 180-day period described in I.R.C. § 1400Z-2(a)(1)(A).

* * * *

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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