



GMS Flash Alert

2021-096 | March 30, 2021



United States – UPDATE: Treasury, IRS Extend Federal Filing and Payment Deadline

As reported in [GMS Flash Alert 2021-089](#), on March 17, 2021, the United States Department of the Treasury and Internal Revenue Service (IRS) announced that the U.S. individual federal income tax filing and payment due dates for the 2020 tax year was automatically extended from April 15, 2021, to May 17, 2021.¹ On March 29, 2021, the U.S. Treasury Department and IRS issued Notice 2021-21 (“the Notice”),² which formalizes the guidance provided on March 17, 2021, and provides details on the additional tax deadlines that have been postponed until May 17, 2021.

WHY THIS MATTERS

Notice 2021-21 expands on the guidance issued on March 17, 2021 by clarifying the scope of the relief that was previously announced and providing details about the additional tax deadlines that have been postponed. The postponement of multiple deadlines provides relief to taxpayers who may require additional time to get their tax affairs in order due to disruptions caused by the COVID-19 pandemic.

Notice 2021-21

Postponement of Due Dates with Respect to Certain Federal Tax Returns and Federal Tax Payment

The Notice formally postpones the due date for filing certain federal income tax returns and making certain federal income tax payments from April 15, 2021, to May 17, 2021, for all individual taxpayers. There is no limitation on the amount of the payment that may be postponed. The extension is automatic, so taxpayers do not need to file Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, to request the extension.

The relief provided applies to:

- Form 1040 series tax returns (Form 1040, Form 1040-SR, Form 1040-NR, Form 1040-PR, Form 1040-SS, or Form 1040 (SP)) originally due on April 15, 2021, for a taxpayer’s 2020 tax year;

- All schedules, returns, and other forms that are filed as attachments to the Form 1040 series or are required to be filed by the due date of the Form 1040 series, including, for example, Schedule H and Schedule SE, as well as Forms 965-A, 3520, 5329, 5471, 8621, 8858, 8865, 8915-E, and 8938;
- Federal income tax payments reported on Form 1040 series tax return originally due on April 15, 2021, for a taxpayer's 2020 tax year, including the 10-percent additional tax on amounts includible in gross income from 2020 distributions from IRAs or workplace-based retirement plans.

The period beginning on April 15, 2021, and ending on May 17, 2021, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file the federal income tax returns or to pay the federal income taxes postponed under the Notice. Interest, penalties, and additions to tax with respect to such postponed federal income tax filings and payments will begin to accrue on May 18, 2021.

In addition, elections that are made or required to be made on a timely filed Form 1040 series (or attached to the form) will be timely made if filed on or before May 17, 2021.

In extending the deadline to file Form 1040 series returns to May 17, the IRS is automatically postponing to May 17, 2021, the deadline for individuals to make 2020 contributions to their individual retirement arrangements (IRAs and Roth IRAs), health savings accounts (HSAs), Archer medical savings accounts (Archer MSAs), and Coverdell education savings accounts (Coverdell ESAs). The extension also applies to reporting and paying the 10-percent additional tax on amounts includible in gross income from 2020 distributions from IRAs or workplace-based retirement plans. Furthermore, the Notice postpones the due date for Form 5498 series returns³ related to these accounts to June 30, 2021.

No extension is provided for the payment or deposit of any other type of federal tax, including federal estimated income tax payments, or for the filing of any federal return other than the Form 1040 series and the Form 5498 series for the 2020 taxable year.

KPMG NOTE

Notice 2021-21 does not alter the April 15, 2021 deadline for estimated tax payments; these payments are still due on April 15. Furthermore, it does not appear that an overpayment of 2020 income taxes that is applied to 2021 estimated tax on a return filed after April 15, 2021 would be considered a timely-paid first quarter payment under Notice 2021-21.

Relief with Respect to Certain Claims for Refund

For tax year 2017 federal income tax returns, the normal April 15 deadline to claim a refund is also extended to May 17, 2021. This postponement is limited to claims for credit or refund properly filed on the Form 1040 series or on a Form 1040-X.

FOOTNOTES:

1 [IR-2021-59, Tax Day for individuals extended to May 17: Treasury, IRS extend filing and payment deadline.](#)

2 [IRS Notice 2021-21.](#)

3 Form 5498 series returns include: Form 5498, *IRA Contribution Information*, Form 5498-ESA, *Coverdell ESA Contribution Information*, and Form 5498-SA, *HSA, Archer MSA, or Medicare Advantage MSA Information*.

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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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