

COVID-19 NEWS OF INTEREST

Extended Time for Taxpayers to Pay Tax Due on April 15, 2020

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Yesterday the IRS released Notice 2020-17 which extends the deadline for paying tax due on April 15, 2020 (but apparently no other date) until July 15, 2020. This relief applies to tax due with a calendar year 2019 tax return and to first quarter estimated tax payments otherwise due on April 15. The aggregate amount of tax payments that can be deferred is capped at \$10 million for corporations and \$1 million for all other taxpayers, including individuals. Spousal status does not affect the size of the cap. Deferred payments under the caps will not begin to accrue interest or incur late payment penalties until July 16, while amounts in excess of the caps will be subject to interest, penalties, and additions as of April 16.

The Notice does not change the timing for payment of 2nd quarter estimated tax payments which are still due by June 15, 2020. Thus, unless this is changed with further action by the IRS, the 2nd quarter payments will be due before payments associated with the April 15, 2020 due date.

While the payment of tax is postponed, the due dates of the returns remain unmodified. As such extensions of time to file tax returns must be submitted by April 15, 2020 for any taxpayer not filing their return that is due on that date.

Finally, please note this relief only applies to the payment of federal income taxes, not state or local taxes.

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If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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