

Tax Update Announcement - 03/27/2020

In an effort to provide continued clarity around changes to tax law, we are offering this update to our previous tax announcements. As such, we have removed a few of our previous tax update posts.

Below, you will find a list of frequently asked questions in reference to the Internal Revenue Service's (IRS) [Notice 2020-18 \(PDF\)](#). In this Notice, the Treasury Department and the IRS announced special Federal income tax return filing and payment relief in response to the ongoing COVID-19 emergency.

You can review the IRS page for additional information here:
<https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>.

Frequently Asked Questions

Question 1: Who is eligible for relief under the Notice?

Answer: Any person with a Federal income tax return or payment due on April 15, 2020 is eligible for relief under the Notice. "Person" includes any type of taxpayer such as an individual, a trust, an estate, a corporation or any type of unincorporated business entity. The payment due refers to both 2019 Federal income tax payments (including payments of tax on self-employment income) and 2020 estimated Federal income tax payments (including payments of tax on self-employment income)—regardless of the amount owed. The return or payment must be due on April 15, 2020—this relief does not apply to Federal income tax returns and payments due on any other date.

Question 2: Do I have to actually be sick, quarantined or have any other impact from COVID-19 to qualify for payment relief?

Answer: No, you do not have to be sick, quarantined or have any other impact from COVID-19 to qualify for relief. You only need to have a Federal income tax return or payment due on April 15, 2020 as described above.

Question 3: I am a fiscal year filer. My Federal income tax return for fiscal year 2019 is due on April 15, 2020. Am I an "Affected Taxpayer" eligible for relief under the Notice?

Answer 3: Yes, the relief provided in the Notice applies to Federal income tax returns and payments in respect of an Affected Taxpayer's 2019 taxable year and postpones those 2019 return filings and payments due on April 15, 2020 until July 15, 2020. If your Federal income tax return for your fiscal year ending during 2019 is due on April 15, 2020, whether that is the original due date or the due date on extension, your due date is postponed to July 15, 2020.

Question 4: Does this relief apply to state tax liabilities?

Answer: No, this relief 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. We urge you to check with your state tax agencies for those details. More information is available at <https://www.taxadmin.org/state-tax-agencies>.

Question 5: I haven't filed my 2019 income tax return yet (that would have been due on April 15), but I expect to file it by July 15. What do I need to do?

Answer: Nothing, except file and pay any tax due with your return by July 15. You don't need to file any additional forms or call the IRS to qualify for this automatic Federal tax filing and payment relief. If you expect a refund, you are encouraged to file your return as soon as you can so that you can receive your refund. Filing electronically with direct deposit is the quickest way to get refunds. If you need more time beyond July 15 to file your return, request an automatic extension of time to file as described next.

Question 6: What if I am unable to file my 2019 income tax return (that would have been due on April 15) by July 15, 2020?

Answer: If you are an individual, you can request an automatic extension to file your Federal income tax return if you can't file by the July 15, 2020 deadline. The easiest and fastest way to request a filing extension is to electronically file Form 4868 through your tax professional, tax software or using the [Free File](#) link on IRS.gov. Businesses, including trusts, must file Form 7004.

You must request the automatic extension by July 15, 2020. If you properly estimate your 2019 tax liability using the information available to you and file an extension form by July 15, 2020, your tax return will be due on October 15, 2020. To avoid interest and penalties when filing your tax return after July 15, 2020, pay the tax you estimate as due with your extension request.

Question 7: I already filed my 2019 income tax return (that would have been due on April 15) and I owe taxes, but I haven't paid yet. What do I need to do to avoid interest and penalties?

Answer: To avoid interest and penalties, pay your taxes in full by July 15, 2020. If you filed Form 1040 or Form 1040-SR, the tax payment amount can be found on line 23. If you filed Form 1040-NR, the tax payment amount can be found on line 75. For a corporation filing Form 1120, the tax payment amount can be found on line 35.

Interest and penalties will begin to be charged after July 15 for any amount remaining unpaid by that date.

Question 8: I already filed my 2019 income tax return that would have been due on April 15 and scheduled a payment of taxes for April 15, 2020. Will this payment be automatically rescheduled to July 15, 2020?

Answer: No, the payment will not be automatically rescheduled to July 15, 2020. If you do nothing, the payment will be made on the date you chose. Here is information on how to cancel and reschedule your payment:

- If you scheduled a payment through IRS Direct Pay, you can use your confirmation number from the payment to access the “Look Up a Payment” feature. You can modify or cancel a scheduled payment until two business days before the payment date. The email notification you received when you scheduled the payment will contain the confirmation number.
- If you scheduled a payment through the Electronic Federal Tax Payment System (EFTPS), click on “Payments” from the EFTPS home page, login, click “Cancel a Tax Payment” from the left menu and follow the instructions. You must do so at least two business days before the scheduled payment date.
- If you scheduled a payment as part of filing your tax return (authorizing an electronic funds withdrawal), you may revoke (cancel) your payment by contacting the U.S. Treasury Financial Agent at 888-353-4537. You must call to make a payment cancellation request no later than 11:59 p.m. ET two business days prior to the scheduled payment date.
- If you scheduled a payment by credit card or debit card, contact the card processor to cancel the payment.

Question 9: The Notice postpones the deadline for first quarter 2020 estimated income tax payments due on April 15, 2020. What about second quarter estimated tax payments due on June 15? Have they been postponed as well?

Answer: No, second quarter 2020 estimated income tax payments are still due on June 15, 2020. First quarter 2020 estimated income tax payments are postponed from April 15 to July 15, 2020.

Question 10: Does this relief provide me more time to contribute money to my IRA for 2019?

Answer: Yes. Contributions can be made to your IRA for a particular year at any time during the year or by the due date for filing your return for that year. Because the due date for filing Federal income tax returns has been postponed to July 15, 2020, the deadline for making contributions to your IRA for 2019 is also extended to July 15, 2020. For more details on IRA contributions, see [Publication 590-A - Contributions to Individual Retirement Arrangements \(IRAs\)](#).