

## IRS Announces Income Tax Filing and Payment Relief due to Coronavirus Pandemic

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The Treasury Department and Internal Revenue Service (IRS) have brought clarity to the 2019 income tax return filing and tax payment due dates. President Trump previewed the planned income tax relief in his March 13, 2020 emergency declaration regarding the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. Following various press conferences and notices, the IRS recently issued Notice 2020-18, which postpones until July 15, 2020 the due date for income tax payments and income tax filings that were otherwise due on April 15, 2020. The IRS has established a special taxpayer resources section on its website to provide relevant tax information, including a copy of the Notice.

On March 18, the IRS issued Notice 2020-17, which postponed federal income tax payments for the 2019 tax year from April 15, 2020 to July 15, 2020. However, it was unclear under this Notice whether 2019 returns needed to be filed by April 15, 2020 in order to obtain the payment relief. In addition, this Notice contained special rules, including certain dollar amount caps.

Notice 2020-18 supersedes Notice 2020-17 and simplifies the income tax filing and payment rules. The new rules are as follows:

- The new rules apply to any person with a federal income tax payment or a federal income tax return due on April 15, 2020. The term “person” includes individuals, trusts, estates, partnerships (including a limited liability company taxed as a partnership) and corporations.
- Income tax returns otherwise due on April 15, 2020 are now due on July 15, 2020. No extensions (such as Form 4868 or Form 7004) need to be filed since Notice 2020-18 automatically postpones the filing date.
- Income tax payments (including payments of tax on self-employment income) otherwise due on April 15, 2020 are also now due on July 15, 2020. Unlike the position taken in Notice 2020-17, there is no limit on the amount of the payment that can be postponed.
- The postponement means that interest, penalty, and addition to tax for the failure to file or the failure to pay will begin to accrue starting on July 16, 2020.
- Federal estimated income tax payments (including payments of tax on self-employment income) for the 2020 tax year that are otherwise due on April 15, 2020 are also postponed to July 15, 2020. Notice 2020-18 does not comment on how the June 15, 2020 estimated tax payments will be treated.
- Notice 2020-18 only applies to federal income taxes. Other types of taxes, such as estate and gift taxes, are not covered by the relief.



Some states are adopting deferral options due to the coronavirus pandemic. For example, New Jersey is considering proposed legislation that would extend the filing and payment dates for annual and quarterly returns due under the New Jersey Gross Income Tax Act and Corporation Business Tax Act to June 30, 2020 to correspond to the IRS filing or payment extensions. New York and Massachusetts have announced that they will follow the IRS tax relief. Pennsylvania has announced that it will follow the IRS tax relief, including extending the April 15, 2020 and June 15, 2020 estimated tax payments for the 2020 tax year to July 15, 2020.

All are encouraged to discuss these federal and state income tax filing and payment issues with your tax return preparer and seek legal counsel as appropriate.

If you have questions or would like additional information, please contact John Eagan ([eaganj@whiteandwilliams.com](mailto:eaganj@whiteandwilliams.com); 212.868.4835) or another member of the Tax and Estates Group.

As we continue to monitor the novel coronavirus (COVID-19), White and Williams lawyers are working collaboratively to stay current on developments and counsel clients through the various legal and business issues that may arise across a variety of sectors. Read all of the updates [here](#).

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