

## **IRS RELEASES FAQs REGARDING JULY 15, 2020, POSTPONED INCOME TAX FILING AND INCOME TAX PAYMENT DATE**

March 2020

On March 20, 2020, the Internal Revenue Service released Notice 2020-18, its second round of formal guidance – postponing both the filing of federal income tax returns and the submission of federal income tax payments to July 15, 2020, which would have been due April 15, 2020.

On March 24, 2020, the IRS posted frequently asked questions to provide additional clarification and guidance regarding the application of its relief guidance. Below is a summary of the FAQs.

### **What the IRS's relief in Notice 2020-18 covers:**

- Any person with a federal income tax return or payment due April 15, 2020, including individuals, trusts, estates, corporations, or any type of unincorporated business entity
- Fiscal-year filers with returns and payments due April 15, 2020
- First quarter estimated federal income tax payments
- IRC Sec. 965(h) transition tax payments due April 15, 2020
- Payments under IRC Sec. 59A (Basis Erosion and Anti-Abuse Tax, or BEAT)

### **How to proceed with filing or paying tax under Notice 2020-18?**

- No additional action is required for a taxpayer to receive the postponement from April 15, 2020, to July 15, 2020 for filing or making payments.
- If an extension to file by October 15, 2020, is sought, an automatic extension (i.e., Form 4868 or 7004) must be filed on or before July 15, 2020
- Tax year 2019 liabilities must be properly estimated
- Any extended returns must then be filed on or before October 15, 2020

### **What is not covered by Notice 2020-18?**

- Any federal income tax returns or income tax payments due on dates other than April 15, 2020
- Employment, excise, estate, and gift taxes (estate income taxes are included)
- Information returns
- Second quarter estimated tax payments; they continue to be due June 15, 2020
- 2016 amended tax returns
- Forms 4466, *Corporation Application for Quick Refund of Overpayment of Estimated Tax*
  - For calendar-year taxpayers, Forms 4466 are due April 15, 2020. The IRS reminds taxpayers that they may request refunds by filing their income tax return as well.
- Estimated tax installment payments required to have been made for 2019

**Additional issues:**

- If 2019 tax returns have been filed but taxes remain owed, they need to be paid in full by July 15, 2020, to avoid penalties and interest
- Penalties and interest will begin to be assessed as of July 16, 2020, on any unpaid amount due
- If a payment is already scheduled to be debited on April 15, 2020, it will still be debited April 15, 2020. Payments may be canceled two days prior to scheduled payment date.
  - If it is needed prior, the payment can be canceled through IRS Direct Pay or EFTPS
  - If payment has been scheduled as part of filing the tax return, it can be revoked/canceled by calling U.S. Treasury Financial Agent at 888-353-4537
  - If payment is schedule by credit or debit card, contact the card processor to cancel payment

The IRS is expected to continue to update its FAQs as issues are raised.

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