

IRS RELEASES UPDATED COVID-19 RELIEF – NOW EXTENDING FILING DATE AND PAYMENT

On March 20, 2020, the Internal Revenue Service released Notice 2020-18, its second round of formal guidance – this time expanding its earlier guidance (Notice 2020-17) by including relief to taxpayers for both federal income tax returns and federal income tax payments which would be due April 15, 2020. Notice 2020-18 is available [here](#). Notice 2020-17 is superseded by Notice 2020-18.

Under the expanded guidance, the President’s March 13, 2020, Emergency Declaration instructs the Treasury Secretary to provide relief to taxpayers affected by the novel coronavirus (COVID-19). The notice provides that any person with a federal income tax return or federal income tax payment due April 15, 2020, is an “Affected Taxpayer.” Any such person includes an individual, trust, estate, partnership, association, company, or corporation. For Affected Taxpayers, the relief provides that federal income tax returns or federal income tax payments that would ordinarily be due April 15, 2020, are postponed until July 15, 2020.

The notice provides that there is no limitation on the amount of the payment that may be postponed to July 15, 2020. The relief is provided for income tax payments in respect of an Affected Taxpayer’s 2019 tax year or federal estimated tax payments due April 15, 2020, for an Affected Taxpayer’s 2020 tax year.

The relief provided in the notice applies only to federal income tax returns and federal income tax payments from April 15, 2020, through July 15, 2020. The notice clarifies that any interest, penalty, or addition to tax for failure to pay income taxes postponed by the notice will begin to once again accrue on July 16, 2020. The notice expressly states: “No extension is provided in this notice for the payment or deposit of any other type of Federal tax, or for the filing of any Federal information return.”

Additionally, the following states have announced business and individual income tax return filing extensions and/or late filing/payment penalty relief: California, Connecticut, Indiana, Iowa, Maryland, New York City, North Carolina, Oregon, South Carolina, Virginia, and Washington. Further, San Francisco and Seattle have announced filing extensions for local business taxes, while a number of other states have indicated they will adhere to federal extension guidance on tax payments once formalized by the Internal Revenue Service.