



# TAX RELIEF IN THE WAKE OF COVID-19

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**The Treasury Department has released multiple notices providing tax relief in the wake of the COVID-19 pandemic. So far, the tax-relief measures have been largely limited to deadline extensions for taxpayers. Below is a brief overview of the recent IRS notices and what they mean for taxpayers.**

## **I. Notice 2020-17: Extension of Deadline to Pay Taxes.**

The IRS issued Notice 2020-17 on March 18, 2020 in response to calls from President Trump and members of Congress to extend the Apr. 15 deadline. Notice 2020-17 postponed the deadline for paying up to \$1 million in federal taxes (for individuals) from Apr. 15 until July 15. However, this notice was less helpful than many had hoped, as it did not extend the deadline for filing any tax returns and placed a limit on the amount of tax payments eligible for deferral.

## **II. Notice 2020-18: Extension of Deadline to File Returns and Removal of Deferral Limits.**

In response to immediate criticism about the limited relief available under Notice 2020-17, two days later on March 20, 2020, the IRS issued Notice 2020-18. Notice 2020-18 replaced Notice 2020-17 and expanded the taxpayer relief by (i) extending the due date for both filing federal tax returns and paying taxes until July 15 and (ii) removing the previous deferral limits under Notice 2020-17. Now, taxpayers may defer both filing and paying federal income taxes until July 15.

## **III. Notice 2020-20: Extension of Deadlines for Gift Taxes.**

On March 27, 2020, the IRS issued Notice 2020-20 to provide relief for gift tax filings and payment. Notice 2020-20 extended the Apr. 15 deadline for filing gift tax returns and paying gift taxes to July 15. This notice resolved uncertainty as to whether gift tax returns and gift tax payments were included in the extensions granted under Notice 2020-18.

#### **IV. Notice 2020-23: Extension of Deadlines for 1031 Exchanges.**

On Apr. 9, 2020, the IRS issued Notice 2020-23 to extend, among others, upcoming deadlines for deferred like-kind exchanges. For background, the 1031-exchange rules require taxpayers who sell property (called the “relinquished property” for tax purposes) as the first step of a 1031 exchange to both (i) identify the “replacement property” within 45 days of selling the relinquished property and (ii) complete the purchase of the replacement property within 180 days after selling the relinquished property. Notice 2020-23 provides relief for taxpayers who face either deadline between Apr. 1, 2020 and July 14, 2020, as those deadlines will be automatically extended to July 15.

If you have questions about your tax obligations or how these notices may affect you, please contact [Andrew Dowdy](#).

## Related Practices

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Tax

## Practice Area Contact

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