



TREASURY DEPARTMENT ISSUES OFFICIAL GUIDANCE ON RELIEF FROM TAX DEADLINES

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In response to requests from President Trump and lawmakers from both major parties, on March 18, the U.S. Treasury Department issued formal guidance on tax-relief measures taken in response to the Coronavirus disruptions. (Notice 2020-17 is available on the IRS's website here: <https://www.irs.gov/pub/irs-drop/n-20-17.pdf>.) Amid recent uncertainty and speculation about how the IRS would respond to disruptions from the Coronavirus, Notice 2020-17 offers good news and a little bad news for taxpayers.

First, the good news is that Notice 2020-17 allows taxpayers to defer paying up to a capped amount of taxes otherwise due and payable on April 15, by 90 days until July 15. This payment extension allows C-corporations to postpone paying up to \$10 million in taxes and all other types of taxpayers (including individual filers and married couples filing joint returns) to postpone paying up to \$1 million in taxes. This means that taxpayers can choose not to pay up to these capped amounts for three months without incurring any penalties or interest from the IRS.

The bad news is that Notice 2020-17 does not extend the deadline for filing tax returns. Taxpayers are still required to file their tax returns, or file extensions, by April 15. So for those hoping the IRS would grant recent requests from lawmakers to extend the filing deadline (whether to give them more time to gather all the required information, or, possibly, to allow for more procrastination), this notice may seem like a mixed blessing.



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For more information about how the Coronavirus may affect your tax obligations, please contact Andrew Dowdy.

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