



TaxNewsFlash

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Executive memorandum: Deferral of collection of payroll taxes (COVID-19)

President Trump this evening signed a memorandum directing the Treasury Secretary to defer the collection of certain payroll taxes for the period of September 1, 2020, through December 31, 2020. This payroll tax deferral is provided in response to the coronavirus (COVID-19) pandemic.

Specifically the [memorandum](#) states:

The deferral shall be made available with respect to any employee the amount of whose wages or compensation, as applicable, payable during any bi-weekly pay period generally is less than \$4,000, calculated on a pre-tax basis, or the equivalent amount with respect to other pay periods.

The memorandum further provides that amounts deferred are not subject to interest or penalty.

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