



GMS Flash Alert



2020-071 | March 18, 2020

United States - UPDATE: IRS Announces Tax Payment Extension in Response to COVID-19 Emergency

Update to [Flash Alert 2020-063](#): The U.S. Treasury Department and Internal Revenue Service (IRS) issued guidance on deferring tax payments due to the COVID-19 outbreak.¹ U.S. Treasury Secretary Steve Mnuchin has determined that any person with a Federal income tax payment due April 15, 2020, is affected by the COVID-19 emergency for purposes of the announced relief (i.e., is an "Affected Taxpayer"). Note: Although relief has been granted for certain Federal income tax payments coming due, **no extension is granted for the filing of any Federal tax return or information return.**

WHY THIS MATTERS

The extended deadline provides relief to taxpayers who are unable to pay their outstanding tax liability by April 15th.

Grant of Relief

For an individual Affected Taxpayer, the due date for making Federal income tax payments due April 15, 2020, in an aggregate amount up to \$1,000,000 (regardless of filing status), is postponed until July 15, 2020.

The relief provided relates only to Federal income tax payments (including payments of tax on self-employment income) due on April 15, 2020, in respect of an Affected Taxpayer's 2019 taxable year, and Federal estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020, for an Affected Taxpayer's 2020 taxable year.

No extension is provided:

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- For the payment or deposit of any other type of Federal tax, or
- For the filing of any tax return or information return.

Interest, penalties, and additions to tax:

- With respect to postponed Federal income tax payments will begin to accrue on July 16, 2020.
- Will accrue, without any suspension or deferral, on the amount of any Federal income tax payments in excess of \$1,000,000 due but not paid by an Affected Taxpayer on April 15, 2020.

Affected Taxpayers subject to penalties or additions to tax despite the relief granted may seek reasonable cause relief for a failure to pay tax or seek a waiver to a penalty for a failure by an individual or certain trusts and estates to pay estimated income tax, as applicable.

FOOTNOTES:

1 [IRS Notice 2020-17](#)

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The above information is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230 as the content of this document is issued for general informational purposes only.

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