

GOOD NEWS – EXTENSION OF TAX PAYMENT DEADLINE

GOOD NEWS – the IRS has officially announced that the tax payment deadline has been moved from April 15th to July 15th (up to \$1 million for individuals and up to \$10 million for corporations.)

The IRS has determined that ANY person with a federal income tax payment due on April 15, 2020 is affected by the COVID-19 emergency for purposes of this relief.

[\(click here for IRS Notice 2020-17, issued today\)](#)

The tax payment deadline is extended, but what about the filing deadline? Are my returns still due by April 15th?

The IRS did not extend the filing deadline, but by extending the payment deadline it's essentially the same as extending the filing – relief of payment is what's most important. We can file a simple extension form on your behalf – you don't have to do anything.

What about Q1 estimates for 2020 due on April 15, 2020?

The relief includes estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020.

What about state and local returns? Have they given similar relief as the IRS?

We are hopeful and it is expected that state and local follow the federal but we don't know yet – we will let you know as soon as possible.

So what does this all mean?

- If you are expecting a large refund – it makes sense to file by April 15th.
- If you expect to owe money, it makes sense to extend and take advantage of this interest-free loan from the IRS.
 - If you expect to owe less than \$1 million between your 2019 unpaid tax balance and your Q1 2020 estimate, there is nothing you need to pay to the IRS until July 15, 2020.
 - If you expect to owe more than \$1 million, you can defer \$1 million of your payment to July 15, 2020.
 - For example: If you owe \$3 million on April 15th (including your Q1 2020 estimate), you can pay \$2 million on April 15th and defer \$1 million to July 15th if you choose.

If you normally file an extension, the process is no different. If you normally file by April 15th, consider the new due date to be July 15th. Our office is open and in full force, so please continue to send your information in as usual.

Don't worry about tax filings – focus on your health and your business, as is the intention of this relief.