

IRS Clarifies April 15th Tax Responsibilities

March 23, 2020

(Last updated March 23, 2020)

On March 21st, the [IRS issued Notice 2020-18](#) which supersedes its earlier guidance (i.e., Notice 2020-17) issued two days earlier. This Notice is more taxpayer friendly and resolves uncertainties relating to *Tax Day* responsibilities.

All federal income tax payments (regardless of amount) otherwise due on April 15th and related tax filings have been extended for 90 days. For the first time, July 15th is the new *Tax Day*.

Below are the most important things for our clients to know.

Taxpayers. All taxpayers (individuals, trusts, estates, C corporations, S corporations, limited liability companies and partnerships) are covered by the new payment/filing rules.

Taxes. All federal income taxes (including self-employment taxes) otherwise due on April 15th are covered. This includes all income tax payments for 2019 and 2020 estimated income tax payments. There is no limit on the amount of these payments that may be extended. The new rules do not apply to estate, gift or state taxes. However, most states will piggyback these changes, but that's subject to each state's discretion.

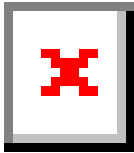
Extensions. Nothing needs to be filed. The extensions are automatic and require no taxpayer action.

Interest & Penalties. No interest or penalties if tax filings and payments are made on or before July 15th. Interest and penalties will begin to accrue on July 16th.

Refunds. Taxpayers in a refund position should, as always, file their returns as soon as possible. The IRS, as always, encourages taxpayers to file electronically.

Updates. The IRS has set up a special webpage ([Coronavirus Tax Relief](#)) to update new information as it becomes available. A good source to track state changes is AICPA's [State Tax Filing Guidance for Coronavirus Pandemic](#).

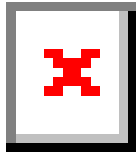
Taxpayers should consult with their tax return preparer regarding the advisability of deferring their tax payments and filing their tax returns, and for any future updates. Our firm will continue to monitor and provide you with important tax updates.



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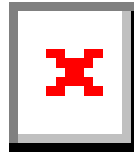
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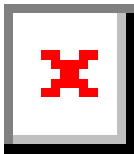
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