

March 25, 2020

IRS Publishes FAQs Related to the Income Tax Return Filing and Payment Relief

SUMMARY

On March 24, 2020, the Internal Revenue Service (“IRS”) published on its website a list of frequently asked questions related to the relief provided by IRS Notice 2020-18 (issued March 20, 2020), in which the IRS allowed taxpayers to postpone until July 15, 2020 the filing of Federal income tax returns and certain income tax payments that were otherwise due April 15, 2020.

The complete list of FAQs on the IRS website (which the IRS said will be updated periodically) can be found [here](#).

The FAQs generally follow the guidance issued in Notice 2020-18. Some of the key issues are summarized below:

1. What is the relief?

- The due date for filing Federal income tax returns and making Federal income tax payments that were due April 15, 2020 is postponed to July 15, 2020.
- Interest will not accrue and penalties will not be charged with respect to the period between April 15, 2020 and July 15, 2020.

2. Who is eligible?

- Any individual, trust, estate, partnership, company or corporation, with a Federal income tax return or payment due on April 15, 2020.
- Taxpayers do not need to be sick, quarantined or have any other impact from COVID-19 to be eligible for the relief.
- The relief applies to non-U.S. persons as well.

3. What types of returns and income are eligible?

- Federal income tax payments (including tax payments on self-employment income, installment payments of the “transition tax” under IRC 965 and BEAT payments) that are due by April 15, 2020, with respect to the taxpayer’s 2019 taxable year.
- Federal estimated income tax payments (including estimated tax payments on self-employment income) that are due by April 15, 2020, with respect to the taxpayer’s 2020 taxable year.

4. Types of income and returns that are not eligible (not an exhaustive list)

- Payroll and excise taxes.

- Estate and gift taxes.
 - Payment of estimated taxes with respect to the second quarter of 2020 (due June 15, 2020).
 - Information returns.
- 5. What is the amount of tax that can be postponed?**
- There is no limit on the amount of tax payments that may be postponed to July 15, 2020.
- 6. What do taxpayers need to do in order to benefit from the relief?**
- Nothing – the extension of the due date applies automatically to all eligible taxpayers.
 - Taxpayers that require more time to file their tax returns beyond July 15, 2020 can file a request for automatic extension (using IRS Form 4868 for individuals and IRS Form 7004 for businesses and other entities), which provides for a longer extension period. The request for extension must be filed by July 15, 2020. Such requests will not postpone the due date for making Federal income tax payments beyond July 15, 2020.
- 7. Does the relief apply to state taxes?**
- No, but many states (including New York) have declared that they intend to follow the extended deadlines set by the IRS. Other states, like California, have already published extended due dates.
 - The IRS urges taxpayers to check with the relevant state tax agencies for more detail; links to the websites of all state tax authorities can be found [here](#).

The IRS established a special section on its website to provide information to taxpayers and businesses affected by COVID-19. For more information see [here](#).

Information about the scope of IRS operations during COVID-19 can be found [here](#).