



Treasury and IRS Issue Guidance on Deferring Tax Payments Due to COVID-19

Today, March, 18, 2020, the IRS issued Notice 2020-17 which impacts the April 15, 2020 deadline for most taxpayers. Notice 2020-17 does not change your 2019 tax liability, however it grants immediate cash flow relief that will help small businesses and individuals maintain liquidity. **The due date for Federal income tax payments due April 15, 2020 are postponed until July 15, 2020.** The maximum amount of the postponed payment is \$1,000,000 for personal returns, regardless of filing status. The postponement covers the 2019 tax return payment and first quarter 2020 estimated tax payment that may otherwise have been due April 15th. Notice 2020-17 does not extend the due dates of the return or other filings and payments.

FAQ:

Q: My return was prepared with a balance due, should I hold off on signing e-file forms?

A: After you review your return, you may proceed to sign the e-file forms. However you have until July 15th to make the federal payment without additional penalties or interest.

Q: My estimates have a payment due date of 4/15, do I need to pay them?

A: You may delay up to \$1 million (combined) in payments until 7/15 that include your 2020 first quarter estimates and 2019 tax return liability.

Q: I usually go on extension with a balance due, does this mean I don't need to do anything?

A: Filing date is 4/15, payment date is 7/15. We will still need to prepare your federal and state extensions by 4/15. You just won't need to make the federal payment until 7/15.

Q: Does this impact my state payments?

A: Maybe – states will issue guidance and we will send updated guidance.

Q: I haven't sent in my tax information yet, does this mean I need to?

A: Yes, please do so immediately, electronically. (Via email or secure upload) The relief does not abate failure to file penalties therefore an extension or a return needs to be filed by 4/15. If you are unable to send us information before this deadline please contact us.

Q: I owe more than \$1 million, how does this impact me?

A: Please contact the partner on your account.

Q: I heard there was an extension of up to \$10 million?

A: That is only for C Corporation income tax liabilities.

Q: Can I delay payroll tax payments?

A: No, this does not delay payroll tax and withholding payments.

<https://www.irs.gov/pub/irs-drop/n-20-17.pdf>

<https://home.treasury.gov/news/press-releases/sm948>

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