

Treasury Grants Tax Relief

On March 18, 2020 the Secretary of the Treasury issued a notice which grants relief with respect to the timing of the payment of Federal Income Tax which would otherwise be due on April 15, 2020. The relief grants taxpayers an extension of time until July 15, 2020 to make the payment and applies to the combined amount of both the balance of tax due on the 2019 return and the first quarter 2020 estimated tax payment.

The relief applies to both Individuals and Corporations. For this purpose, trusts and estates are included in the definition of individuals. The maximum combined payment (2019 balance due plus first quarter 2020 estimate) that can be deferred is \$10 million for corporations and \$1 million for other taxpayers. With regard to individual taxpayers, the \$1 million maximum applies regardless of filing. With regard to C Corporations, the \$10 million maximum applies to each consolidated group or for each C Corporation that does not join in the filing of a consolidated return.

The relief only applies to Federal Income Tax payments, including the self-employment tax. It does not extend the filing date for the Income Tax Return due on April 15, 2020. If the income tax return cannot be completed by April 15, 2020, a proper and timely extension of time to file must be filed.