

## Updated Guidance from the Internal Revenue Service Related to Filing Deadlines and Other Forms

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After intense lobbying and much discussion between special interest groups including the American Institute of Certified Public Accountants and the Internal Revenue Service, the IRS issued additional guidance related to individuals and businesses filing various tax forms in Notice 2020-23 (<https://www.irs.gov/pub/irs-drop/n-20-23.pdf>).

The deadlines are sure to affect clients – both businesses and individuals seeking filing or payment relief related to COVID-19 related matters.

### **Definition of Effected Taxpayers**

The IRS clarified that anyone who has a filing or payment obligation for any Federal form specified, due between April 1, 2020 and before July 15, 2020, is affected by the COVID-19 emergency and available for relief.

### **Forms and Payments Affected**

Specifically, the IRS identified many forms included in the relief, for which they delay filing and payment of tax. We highlight below the more widely used forms as follows:

- Form 1040 - Individual Tax Returns (including 1040-NR, 1040-EZ and other varieties of such form)
- Form 1120 - Calendar year or fiscal year Corporate Income tax Returns (including 1120-F, 1120-PC, Form 1120-S and other varieties of such form)
- Form 1065 - Calendar year or fiscal year Partnership Tax Returns
- Form 1041 - US Income Tax Returns for Estates and Trusts
- Form 706 - Estate (and Generation-Skipping Transfer) Tax Returns
- Form 709 – Gift (and Generation-Skipping Transfer) Tax Returns
- Form 990-T and 990-PF (Exempt Organization Business Income Tax Returns and Private Foundations)

Estimated tax payments related to forms 1040-ES (Individuals), 1041-ES (Estates and Trusts) and 1120-W (Corporations) - which means for individual taxpayers, first and second quarter estimates are both due July 15.

All payments related to such forms are automatically postponed to July 15, 2020. The relief is automatic, and no action is required by any type of taxpayer identified. Typical extensions, which were originally due on April 15 to file such forms shall still exist, and can be filed on July 15, to grant an extension to the original extended due date of such extension. This extension does not delay further the payment of tax.

Additional forms were added to this Notice that left in limbo, and are now clarified to also be extended accordingly, including Form 3520, Form 5471, 5472, 8621, 8858, 8865 and 8938. If there was an election to be made, which was originally due during the specified time-period, such election is also extended to July 15.

Interest, penalties and additions to tax with respect to such postponed filings will also begin to accrue July 16, 2020.

### **State Ramifications**

While the Federal government gave clear instructions and uniformity of the rules, States, however, are all over the board. Please contact your accountant to review any specific filing or tax payment date to be certain what rules have been put into effect, inasmuch as there are individual tax liabilities, sales tax liabilities, corporate and other filing liabilities that would need to be reviewed. To highlight a few states individual tax and estimates rules (updated April 10), we provide the following narratives:

California - Individual tax returns and estimates for first and second quarter have been extended to July 15.

Connecticut - Individual tax returns and estimates for first and second quarter have been extended to July 15.

New York State – Individual tax returns and estimates for the first quarter have been extended to July 15, second quarter estimates are due June 15.

### **The Holdout – For Business Taxes Only**

Despite lobbying efforts, New York City has been a stubborn holdout in dealing with business taxes. The only relief provided by the Commissioner of Taxation Jacques Jiha has been to give relief of penalties related to taxes due between March 16 and April 25, 2020. This means that if there is any balance due on your NYC business tax return, you need to pay your taxes due timely with an extension, by April 15, to avoid any interest charges. To best sum up the City's position, we have to say, "Shame on you" New York City, because you are the holdout.

As always, Spielman Koenigsberg & Parker LLP is here to lend a hand, and provide our exceptional knowledge and guidance at this time of need. Please let us know how we can help.