

FILING, PAYMENT & ACTIONS DEADLINES FOR 2019 TAX RETURNS

Updated 3/21/2020

BACKGROUND: On March 18, 2020, the IRS issued Notice **2020-17** which postponed the due date for certain Federal income tax **payments** from April 15, 2020 until July 15, 2020. Since then the IRS issued **Notice 2020-18** which effectively **supersedes Notice 2020-17**.

DETAILS OF NOTICE 2020-18:

Filing Due Date Postponement:

- For filing 2019 federal income returns due April 15, 2020 the due date is postponed to July 15, 2020.
- This applies to any 2019 federal income tax returns due April 15, 2020: Thus, it applies to:
 - 2019 individual 1040 and 1040-SR tax returns
 - 2019 trust and estate 1041 returns
 - 2019 partnership returns
 - 2019 calendar year corporation returns
 - 2019 association returns (Forms 1120-C and 1120-H)

CAUTION: This postponement does not include the 1120-S returns which were due on March 16. Nor does it include FBAR filings. However, FBARs have an automatic extension to October 15 which effectively makes October 15, 2020 the FBAR due date.

Payment Due Date Postponement:

- Any payments that would have been due on April 15, 2020 for the returns listed above are also postponed to July 15, 2020. This includes self-employment tax.
- Also postponed is the payment of the first 2020 estimated tax installment (Forms 1040-ES, 1041-ES, 1120-W). Notice 2020-18 does **not** postpone the June 15 estimated tax payments (or even address this issue), so for now the June 15th installment needs to be paid timely.
- There is **no limit** on the amount of the payment that can be postponed. Previous guidance in Notice 2020-17 included limits. But 2020-18 supersedes that notice and there are no limits.

Extensions – Notice 2020-18 states that affected taxpayers do not have to file Forms 4868 or 7004.

PRESUMPTION: It is presumed, unless further guidance is provided, that if an additional extension to October 15 is desired, it would require filing an extension and the payment of the tax estimated on the extension to avoid the normal interest and penalties. For extensions filed before July 15, any payment would not need to be made until July 15. Thus, if filing the extension before July 15 automatic payment withdrawals could be scheduled for July 15.

Late Filing and Late Payment Penalties – No late filing or late payment penalties will apply during the 3-month filing and payment postponement period. Unless further relief is provided these penalties will resume after July 15, 2020.

Other Filings – Notice 2020-18 makes it clear that no extension is provided for the payment or deposit of any other type of Federal tax, or for the filing of any Federal information return.

OTHER ISSUES NOT INCLUDED IN NOTICE 2020-18

2019 IRA Contributions – Normally the last day to make an IRA contribution for 2019 is the unextended due date of the 2019 tax return, i.e. April 15, 2020. Notice 2020-18 does not directly address this issue. We researched this and found the following from the Internal Revenue Code:

219(f)(3) Time when contributions deemed made — For purposes of this section, a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

Thus, it is our presumption that the due date for making 2019 IRA contributions is July 15, 2020. But the case could be made that the phrase “not including extensions thereof” might encompass the current postponement period. Taxpayers wanting to delay their 2019 IRA contributions until after April 15 should contact their IRA trustee/custodian to determine whether the financial institution will accept contributions for 2019 after April 15.

Cancelling Direct Withdrawals - If you have already filed a return that included direct withdrawals for the tax payment, and the withdrawal date has not yet passed, the direct withdrawal can be cancelled by the taxpayer calling the IRS e-file Payment Services 24/7 at 1-888-353-4537. But wait 7-10 days after the return was accepted before calling. Cancellation requests must be received no later than 11:59 p.m. ET two business days prior to the scheduled payment date.

California Filing & Payment Postponements – The FTB has postponed until July 15 the filing and payment deadlines for all individuals and business entities for:

- 2019 tax returns
- 2019 tax return payments
- 2020 1st and 2nd quarter estimate payments
- 2020 LLC taxes and fees
- 2020 Non-wage withholding payments

Other State Filing & Payment Delays – The AICPA has posted a public webpage that provides up-to-date information about filing and payment postponements state by state. Here is the link to that web page:

<https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/coronavirus-state-filing-relief.pdf>