

The IRS Announces New COVID-19-Related Assistance for Taxpayers

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The IRS and the U.S. Department of Treasury have announced new relief for federal taxpayers affected by the coronavirus (COVID-19) pandemic. The IRS had already extended certain deadlines to file and pay federal income taxes and estimated tax payments due April 15, 2020, without incurring late filing penalties, late payment penalties or interest. The additional relief, outlined in Notice 2020-23, applies to a wider variety of tax filers. The IRS also has announced new tools for taxpayers expecting Economic Impact Payments (also known as “recovery rebates”).

The Extensions in a Nutshell

The extensions apply to taxpayers, including Americans living and working abroad, with filing or payment deadlines on or after April 1, 2020, and before July 15, 2020. Covered tax forms and payments include:

- Individual income tax payments and returns,
- Calendar-year or fiscal-year corporate income tax payments and returns,
- Calendar-year or fiscal-year partnership return filings,
- Estate and trust income tax payments and returns,
- Gift and generation-skipping transfer tax payments and returns, and
- Tax-exempt organizations’ payments and returns.



The due dates for these payments and returns are automatically postponed to July 15, 2020. Taxpayers don’t need to contact the IRS, file any extension forms, or send letters or other documents to take advantage of the extensions. The accrual of interest, penalties and additions to tax for failure to file or pay will be suspended from April 1, 2020, to July 15, 2020, resuming on July 16, 2020.

The IRS is also extending the earlier relief regarding quarterly estimated tax payments. As of now, the payments ordinarily due on both April 15 and June 15 aren’t due until July 15. This applies to individual and businesses that must make estimated tax payments.

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Extensions for Other Time-Sensitive Actions

Notably, the IRS is giving taxpayers extra time to perform specified other time-sensitive actions originally due to be performed on or after April 1, 2020, and before July 15, 2020. Those include filing petitions with the U.S. Tax Court or seeking review of a Tax Court decision, filing claims for tax credits or refunds, and filing a lawsuit based on a tax credit or refund claim. Taxpayers generally have three years to claim refunds, so the deadline for 2016 refunds otherwise would be April 15, 2020 (three years after the April 2017 filing date for 2016 tax returns).

Unfortunately for some taxpayers, the notice also provides the IRS with additional time to perform certain time-sensitive acts. It allows a 30-day postponement if the last date for performance of an action is on or after April 6, 2020, and before July 15, 2020. This extension could affect taxpayers who are currently under IRS examination, whose cases are with the Independent Office of Appeals or who file amended returns or submit payments for a tax for which the assessment period would expire in that time period.

Economic Impact Payment Tools

On April 10, 2020, the day after announcing the deadline extensions, the IRS launched a new online tool allowing quick registration for Economic Impact Payments for individuals who don't normally file an income tax return. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides for payments of up to \$1,200 for eligible individuals or \$2,400 for married couples, plus \$500 for each qualifying child. Eligible taxpayers who filed tax returns for 2019 or 2018 will receive the payments automatically.

The non-filer tool is intended for people who didn't file a tax return for 2018 or 2019 and who don't receive Social Security retirement, survivors or disability benefits. It's available at [IRS.gov](https://www.irs.gov).

The IRS says it expects to launch another tool, called "Get My Payment," by April 17. It will provide taxpayers with information on the status of their payments, including the date payments are scheduled to be deposited in their bank accounts or mailed to them. Eligible taxpayers also will be able to provide their bank account information to expedite payment, assuming the payment hasn't already been scheduled for delivery.

Stay Tuned

The IRS, Department of Treasury, Congress and the Trump administration continue to work on new forms of relief to help individuals and businesses cope with the effects of the COVID-19 crisis. [Contact us](#) for all of the latest developments and available opportunities.