



# Important Tax Information - Your April 15th Questions Answered

March 18, 2020

*The information below has been superseded. The IRS issued additional guidance on March 20, 2020, which is summarized here.*

Because of the Coronavirus Pandemic, the IRS has invoked the powers available when there is a Federally declared disaster to provide limited relief from April 15 tax payment obligations. On March 18, the IRS issued guidance providing relief for taxpayers who owe 2019 taxes due on April 15, 2020 or are required to make 2020 first quarter estimated payments on April 15, 2020.

## **The IRS guidance (Notice 2020-17) provides:**

Taxpayers who owe 2019 income tax or are responsible for first quarter 2020 estimated income tax payments, all of which are due on April 15, will be provided relief from interest and penalties up to a certain amount.

**Individual taxpayers** will be automatically relieved of interest and penalties from April 15 through July 15 for 2019 income taxes (including self-employment taxes) and first quarter 2020 estimated tax due on April 15, 2020, up to an aggregate amount of \$1 million.

**Corporate taxpayers** will be automatically relieved of interest and penalties from April 15 through July 15 for 2019 income taxes and first quarter 2020 estimated tax due on April 15, 2020, up to an aggregate amount of \$10 million.

- Individuals who owe more than \$1 million in total 2019 income tax and 2020 first quarter estimated tax and corporations that owe more than \$10 million in total 2019 income tax and 2020 first quarter estimated tax should pay amounts in excess of these thresholds by April 15 to avoid interest and penalties.
- All taxpayers taking advantage of this relief should plan to pay their balance in full by July 15.
- There is no relief for late payment of gift or GST tax, estate taxes, or any other tax owed on April 15.

## **FILING DEADLINES HAVE NOT BEEN EXTENDED!**

- Individuals and corporations must still file their returns or request an extension by April 15. If you fail to file or request an extension and owe tax, failure to file penalties will apply.
- Taxpayers due a refund should file as soon as possible, as refunds are currently being processed by the IRS.

**A note about state taxes:** The IRS guidance does not provide relief for state income taxes owed. As of this writing, there is no change to tax filing and payment deadlines in Oklahoma, Colorado, or Arkansas. Some states will adopt provisions similar to the IRS guidelines or providing their own relief to taxpayers. Check for updates from your state.

Contact a Hall Estill tax attorney if you have any questions about how these tax provisions may impact you.

## **Attorneys**

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- Jennifer E. Benda
- Matt Campbell
- David T. Potts
- Andrew M. Wolov

## **Practices**

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- Tax & Employee Benefits