



TAX LAW ALERT

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IRS EXTENDS DUE DATE FOR FILING 2020 INCOME TAX RETURNS

On March 17, 2021, the IRS, in Notice 2021-59, announced that the due date for filing 2020 Income Tax Returns and paying any balances due had been extended to May 17, 2021. No application for extension or other contact with the IRS is required.

Those taxpayers requiring additional time beyond May 17th may file Form 4868 which will allow the taxpayer to file their 2020 Income Tax Return on or before October 15, 2021 without incurring a late *filing* penalty. Interest and late *payment* penalties will, however, continue to accrue on income tax payments that are not made by May 17th.

However, it is important to note, that unlike what occurred in 2020, the due date for paying the first installment of a taxpayer's estimated tax liability for 2021 has not been extended and must still be paid on or before April 15, 2021 (for calendar year taxpayers).

While the Notice did not provide the specifics behind the decision to push-out the filing date, it appears that the IRS was left with little choice since certain provisions contained in the American Rescue Plan Act, signed into law by President Biden on March 11, 2021, were made retroactive to the 2020 tax year. In particular, taxpayers that received unemployment insurance benefits in 2020 are now able to exclude the first \$10,200 of benefits received if their adjusted gross income in 2020 is less than \$150,000. Those taxpayers that might benefit from this change who have already filed their 2020 income tax returns have been told to not file amended returns until the IRS provides additional guidance.

The IRS's announcement does not extend the filing deadlines for the various state and local Income Tax Returns that are due April 15th. The decision as to whether to extend the April 15th deadline must be made by each state and local taxing authority. As of date of this Alert, New York State has not provided any guidance.

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