



## LAW ALERT

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**RMF**  
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### TAX RELIEF DURING THE COVID-19 PANDEMIC

#### Federal Tax Returns and Payments

On March 20, 2020, in Notice 2020-18 the Treasury Department and the IRS announced that the income tax filing due date would be automatically extended from April 15, 2020 to July 15, 2020. There is no need to file an application in order to be granted this extension of time to file unless you wish to extend your time to file your income tax returns beyond July 15, 2020. Individuals can receive an automatic extension of time to file their personal returns until October 15, 2020, by filing Form 4868. Corporations can do the same by filing Form 7004.

In addition, taxpayers are able to defer federal income tax payments due on April 15, 2020 to July 15, 2020, regardless of the amount owed without incurring penalties or interest. Previously the Treasury Department and IRS had placed a cap of \$1,000,000 on the amount individuals could defer and \$10,000,000 on the amount corporations could defer. The deferment applies to federal income tax payments payable by individuals, corporations, trusts and estates and non-corporate filers. The deferment also applies to self-employment tax.

In Notice 2020-20 the IRS announced that the due date for filing gift tax returns and paying gift tax had been similarly extended to July 15, 2020. No applications for extension of time need be filed. Those wishing to extend the due for filing a gift tax until October 15, 2020, must still file Form 8892 prior to July 15, 2020. The filing of Form 8892 will not extend the time for the payment of gift taxes beyond July 15, 2020.

In Notice 2020-23 the IRS further expanded upon the relief previously provided by extending the due date for filing Federal tax returns that were due between April 1, 2020 and July 15, 2020 (including those returns which may have been on extension and were required to be filed during this period) and making Federal tax payments (including payments of estimated tax) that were due during this period, to July 15, 2020. Notice 2020-23 provides a comprehensive list of the affected tax returns and related payments. The list includes the filing of Estate Tax Returns (Forms 706, etc.) and making payment of estate taxes including deferred payments under IRC §§6166, 6161 and 6163 and annual re-certifications under §6166.

Notice 2020-23 also extends the time for making elections related to Job Opportunity Zone and the compliance dates contained in §1031.

Additional guidance can be found at: <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>. Please note that as of the time this Alert was updated the IRS was in the process of updating the Q&A to reflect the changes made by Notice 2020-23.

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The Notice only applies to Federal returns and payments. Each state is addressing the issue separately. There is no uniformity. The American Institute of Certified Public Accountants has established a page on its website where information for the various states and cities can be found. This site is being updated daily. <https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/coronavirus-state-filing-relief.pdf>

### New York Taxpayers

For New Yorkers, the NYS Department of Taxation in Notice N-20-2, has similarly extended the due date for filing income tax returns and making income tax payments due April 15, 2020 to July 15, 2020. Those that are not able to file their returns by July 15th can request an automatic extension of time to file their returns to October 15, 2020 (September 30, 2020 for fiduciary income tax returns.) Interest will begin to accrue on July 16th. New York State Sales Tax returns and payments that were due on March 20, 2020, penalties and interest for late filing and payment will be abated provided the return is filed and payment is made within 60 days of the due date.

It is important to remember that tax returns can still be filed during the crisis so those expecting refunds should file their returns as soon as they are able.

### Administrative Provisions

In IR 2020-59 the IRS announced that many compliance programs would be suspended during the period April 1 through July 15, 2020. These include, at the option of the taxpayer, payments due during the period under installment agreements and offers in compromise. Field collection efforts have also been suspended with the caveat that the IRS will continue collection efforts against high-income non-filers and where otherwise warranted. No new audits will be commenced during the period. Existing audits will continue to be worked on by IRS personnel but no in-person meetings will be held. Taxpayers being audited are encouraged to provide any information requested by agents to the extent they are able. Automatic liens and levies will also be suspended during the period. The IRS will take steps to have any statute of limitations that may otherwise be expiring extended. Taxpayers are urged to consent at the risk of the IRS issuing Notices of Deficiency to those that do not.

Notice 2020-23 extends to July 15, 2020 the time within which to perform Specified Time Sensitive Actions that would have otherwise have been required to be performed between April 1 and July 15, 2020. This would include the filing of petitions with the U.S. Tax Court, filing claims for refund and commencement of actions upon a claim for refund or credit of tax. The Notice also grants a 30-day postponement to the IRS to perform Time Sensitive IRS Actions if the last date for performance falls between April 6 and July 15, 2020. Time Sensitive IRS Actions include the assessment of tax, giving notice or demand for payment of tax, collecting tax, commencement of actions seeking payment of tax, allowing a credit or refund of tax.

**If you have any questions, please contact**  
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