

Relief from Tax Deadlines

March 19, 2020

Yesterday, the Department of the Treasury formally extended to July 15, 2020 the tax payment deadline for income tax payments (including payments of tax on self-employment income) due on April 15, 2020 in respect of a taxpayer's 2019 taxable year and federal estimated income tax payments (including payments of tax on self-employment income) in respect of a taxpayer's 2020 taxable year. **The due date for filing (or requesting an extension) has not been postponed. Taxpayers still must file their returns or their extension requests by April 15, 2020.**

A C corporation that does not file a consolidated federal income return can postpone payments of up to \$10 million in the aggregate as can a group of C corporations that file a consolidated federal income tax return. Other taxpayers (including individuals, trusts and estates) can postpone up to \$1 million in the aggregate. Any amounts due in excess of those limits not paid by April 15, 2020 will accrue penalties and interest from that date until the date of payment.

Taxpayers, such as certain trusts and estates, that find themselves subject to penalties and interest despite the relief described above, may seek reasonable cause abatement of such penalties and interest from the Internal Revenue Service.

Taxpayers who are expecting a refund in respect of their 2019 taxable years, of course, should file their returns as soon as possible.

This relief is a good first step. We at Warshaw Burstein will continue to monitor the situation and will keep you advised.

If you have any questions regarding this formal relief, please direct your questions to Barry Klingman at 212 873-1978 or at baklingman@wbny.com.

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