

Larry's Tax Law

Positive Tax News Keeps Rolling In – Treasury Provides Expanded Tax Relief With Notice 2020-18

By Larry Brant on 3.20.20 | Posted in Federal Law, IRS, Tax Planning

Yesterday, I [reported](#) that the U.S. Department of the Treasury (“Treasury”) issued Notice 2020-17, extending the due date for payment of federal income taxes from April 15, 2020 to July 15, 2020, because of the impact of the COVID-19 pandemic. After some feedback from the tax community, Treasury has now restated and expanded the relief provided by Notice 2020-17.

In accordance with Notice 2020-18, not only is the due date for payment of federal income taxes extended to July 15, 2020, but the date for filing federal income tax returns originally due on April 15 is now extended to July 15, 2020.

[Notice 2020-18](#) supersedes and expands Notice 2020-17 in many helpful ways:

Payment of Income Tax. As provided in Notice 2020-17, the payment extension date is still July 15, 2020. Except as provided below, the rules outlined in my blog post yesterday still apply.

Payment Deferral Limitations. The deferral limitations (\$1 million for individuals and \$10 million for C corporations) set forth in Notice 2020-17 (and as outlined in my blog post yesterday) go by the wayside. In accordance with Notice 2020-18, there are no limits on the amounts of income tax otherwise due on April 15, 2020 that may be deferred to July 15, 2020 (without penalty or interest).

Filing Deferral. Notice 2020-18 expands the deferral or extension to include the filing requirement of federal income tax returns otherwise due on April 15, 2020 to July 15, 2020. So, not only may the payment be deferred, the filing of the federal income tax return may also be deferred to July 15, 2020.

The Filing Extension Is Automatic. There is no need to file IRS Form 4868 (individual income tax application for automatic extension) or IRS Form 7004 (business income tax application for automatic extension). The filing due date for federal income tax returns otherwise due on April 15, 2020 is automatically extended to July 15, 2020.

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Limit to Income Taxes. Like Notice 2020-17, the relief granted by the Notice 2020-18 is limited to federal income taxes.

Treasury's issuance of Notice 2020-18 makes a great deal of sense. Now, both the payment and the return filing due date for federal income taxes originally due on April 15, 2020 are extended to July 15, 2020. The room that existed for confusion among taxpayers and tax practitioners about there being the possibility of different filing and payment due dates has been alleviated.

Tags: Coronavirus, COVID-19, deadlines, deferral, emergency declaration, tax relief, Taxpayer, Treasury