

March 30, 2020

Update on Tax Filing and Payment Deadlines

The coronavirus (COVID-19) has presented many unique challenges to us all. First and foremost, our thoughts are with you and your families. Your wellbeing and safety are of the utmost importance to us, and we are here for you.

We previously notified you regarding Notice 2020-17 related to important April 15 deadlines. The U.S. Treasury Department has since issued two new notices, Notice 2020-18 on March 22 (which supersedes Notice 2020-17), and Notice 2020-20 on March 27 (which amplifies Notice 2020-18 to cover more types of returns).

The two new Notices now provide for an automatic 90-day extension of time to file returns, including gift tax returns, and for payment of 2019 tax due and first quarter 2020 estimated taxes. Therefore, taxes normally due on April 15, 2020, must now be paid no later than July 15, 2020, and returns normally due on April 15, 2020, may now be filed prior to July 15 without filing a request for an extension. The extension of filing and payment time applies to individuals, trusts, estates, corporations, and any type of unincorporated business entity. If an extension of time to file is requested, it must be done prior to July 15, and include any payment due with the extension. Most extended returns must be filed no later than October 15, which is the normal extended period if an extension had been requested prior to April 15, except for trust income tax returns which only receive a 5 ½ month extension of time to file until September 30. The federal extension of time to pay still does not apply to second quarter 2020 estimated taxes due on June 15, 2020.

All taxes owed on April 15 may now be deferred without assessment of interest and penalty until July 15, 2020.

Notice 2020-17 limited the amount of combined tax that could be deferred without interest and penalties only for taxpayers who owed less than \$1,000,000 combined tax on April 15, but, as stated above, Notice 2020-17 was superseded by Notice 2020-18.

Following the lead of the U.S. Treasury Department, many states have also now extended their deadlines to pay and file,

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but they are not all uniform with the federal extensions. A link to the Federation of Tax Administrators with further links to each state's taxing authority can be found [here](#).

Wisconsin, Illinois, Colorado, Utah, North Carolina, and the District of Columbia have mostly followed the federal guidelines by automatically extending the date for filing and payment of any taxes otherwise due on April 15 to July 15, including the waiver of interest and penalties. Wisconsin, Colorado, Utah and North Carolina are silent on the extension of the June 15 second quarter estimates, but Colorado appears to extend the time for payment of the second quarter estimate to July 15. Illinois and the District of Columbia are still requiring taxpayers to make their first quarter estimated payment on April 15 and second quarter estimated payment on June 15. North Carolina is not charging penalties for payments made by July 15, but under state law they must still charge interest on any taxes due but unpaid after April 15.

With the extension of time to file being moved to July 15, that also extends the time to make certain contributions and still have them treated as being made in 2019. Particularly, taxpayers may make contributions to individual retirement accounts, health savings accounts, and Archer medical savings account up to July 15 and still have those contributions treated as being made for the 2019 tax year. But, Wisconsin taxpayers must make contributions to an EdVest educational savings account by April 15 in order to receive a state income tax deduction for 2019.

Finally, the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020, waives the requirement for taxpayers that have reached their required beginning date to take minimum required distributions from retirement plans in 2020.

We will keep you apprised of further developments and meanwhile, we wish you and your family good health throughout this time.

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