

## **IRS ISSUES FAQs & UPDATED GUIDANCE ON EXTENSION OF APRIL 15 TAX DEADLINES DUE TO CORONAVIRUS (COVID-19)**

### **IRS Notice 2020-18 (March 20, 2020)**

On March 20, 2020, the IRS issued Notice 2020-18, which provides updated guidance on the extension of the April 15, 2020 tax return filing and payment deadlines due to the Coronavirus pandemic. The notice provides, among other things, that:

- The tax year 2019 income tax filing and payment deadlines for all taxpayers who file and pay their federal income taxes on April 15, 2020 is extended to July 15, 2020.
- Estimated tax payments (including payments of tax on self-employment income) for tax year 2020 that are due on April 15, 2020 are also extended to July 15.
- There is no longer any dollar limit on the extension on payments to July 15.
- The period beginning on April 15, 2020, and ending on July 15, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file the federal income tax returns or to pay the federal income taxes postponed by the notice.
- Notice 2020-18 expressly supersedes Notice 2020-17.
- No extension is provided for the filing of any information returns.

A copy of Notice 2020-18 can be found on the IRS website at <https://www.irs.gov/pub/irs-drop/n-20-18.pdf>.

### **IRS FAQs Regarding Notice 2020-18 (March 24, 2020)**

On March 24, 2020, the IRS issued FAQs to answer various questions regarding Notice 2020-18. The FAQs provide, among other things, that:

- The July 15, 2020 tax filing and payment extension applies to the following tax year 2019 tax returns that are due on April 15, 2020: Form 1040, 1040-SR, 1040-NR, 1040-NR-EZ, 1040-PR, 1040-SS; Form 1041, 1041-N, 1041-QFT; Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF; Form 8960; Form 8991; and Form 990-T (but only if that form is due to be filed on April 15). FAQ No. 3; see *also* FAQ Nos. 11-14.

- The July 15 extension also applies to section 965(h) installment payments due on April 15, 2020, as well as to estimated payments for a corporation required to make payments under section 59A (Basis Erosion and Anti-Abuse Tax, or BEAT). FAQ Nos. 8-9.
- The notice extends to July 15, 2020 the time for making contributions to an Individual Retirement Account or Health Savings Account. FAQ Nos. 17 and 21.
- First quarter tax year 2020 estimated income tax payments are postponed from April 15 to July 15, 2020. But second quarter tax year 2020 estimated income tax payments are still due on June 15, 2020. FAQ No. 16.
- The notice does not provide relief for the estimated tax requirements or estimated tax penalty for tax year 2019. FAQ No. 24.
- Businesses and other entities whose filing deadlines have already passed (e.g., returns due on March 16, 2020, such as Form 1065, Form 1065-B, Form 1066, and Form 1120-S for calendar year taxpayers), are not being granted relief under the notice. FAQ No. 3.
- Businesses and other entities that have filing or payment due dates on May 15, June 15, or some other date besides April 15, are not being granted relief with respect to those deadlines at this time. FAQ No. 5.
- The relief provided in Notice 2020-18 does not apply to payroll, excise, estate, or gift taxes. FAQ Nos. 6-7.
- The Notice does not extend the time for filing refund claims. FAQ Nos. 22-23.
- Notice 2020-18 does not provide any relief with respect to the deadlines for filing information returns. FAQ No. 10.
- The extension of the federal tax deadlines in Notice 2020-18 is not intended to extend any applicable state tax filing or payment deadlines. FAQ No. 15.

A copy of the FAQs regarding Notice 2020-18 can be found on the IRS website at <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>

### **A Word on Information Returns**

Both IRS Notice 2020-18 and the recently issued FAQs provide that the IRS's COVID-19 related tax filing extension does not apply to information returns.

Therefore, in the absence of additional guidance, taxpayers who received distributions from foreign trusts or gifts or bequests from a nonresident alien individual or foreign estate may still need to file IRS Form 3520 or request an extension by April 15.

It is unclear whether the deadlines for other information returns are affected by the notice. The FBAR deadline, for example, is automatically extended to October 15 when a taxpayer is unable to file by April 15. See IRS website at <https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar>. In addition, the instructions to certain other information returns – such as Form 8938 (interest in specified foreign assets), Form 5471 (interest in a foreign corporation), Form 8621 (interest in a PFIC), and Form 8865 (interest in a foreign partnership) – provide that they are attached to a taxpayer's income tax return.

Taxpayers should consult their tax professionals for advice on navigating these and other information return deadlines.