

Anchin Alert

March 19, 2020

Treasury Relief Postpones Certain Tax Payments

The IRS has released guidance related to the postponement of certain tax payments as relief to taxpayers during the Covid-19 outbreak. This measure provides one of the first of what will likely be several measures to improve the liquidity of businesses and individuals.

While taxpayers still face a deadline of April 15th to file or extend their tax returns, the related payment deadlines have been extended in specific circumstances as follows:

Payments of federal income tax, including self-employment tax, usually due April, 15th 2020 has been extended until July 15th, 2020 for:

- Payments of C Corporation federal tax up to \$10,000,000 for each consolidated group, or for each C Corporation that does not file as part of a consolidated group.
- All other taxpayers, including individuals, up to \$1,000,000 regardless of filing status of the taxpayer.
- Included in the amounts above are federal estimated tax payments usually due April 15th, 2020.

There is no postponement at this time of any other type of federal tax or deposit.

Any amounts that would have been due April 15th, 2020 remaining unpaid after July 15th, 2020 will begin to accrue interest and penalties. Any amounts due in excess of the limitations above will accrue interest and penalties starting with April 16th, 2020.

Planning for use of these payment relief provisions will require an estimate of your federal tax liability.

This Treasury action serves as the first step towards providing relief. We anticipate extended relief from the states and we will continue to provide key updates as additional details are released. However, at this time, most states have not yet provided similar relief so most state and local payments are currently due April 15th.

For our clients, please contact your Anchin Relationship Partner with any questions you may have, and to determine the best method to send us your tax information on a timely basis.



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