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Federal Tax Bulletin: Treasury Extends April 15 Deadline For Making Tax Payments and Filing Tax Returns

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On Wed., March 18, Treasury released Notice 2020-17 (the “**Notice**”), which extends the due date for making federal income tax payments that are due on April 15, 2020. Pursuant to the Notice, the maximum amount of federal income tax liability that may be deferred is (i) \$10,000,000 for a consolidated group, or for a C corporation that is not a member of a consolidated group, and (ii) \$1,000,000 for all other taxpayers. (The \$1,000,000 limit applies to both single individual taxpayers, and married individuals filing a joint return). The extended due date for these payments is now July 15, 2020. This extension applies to both federal income tax payments due on April 15 with respect to the 2019 taxable year, and estimated tax payments due on April 15 for the first quarter of 2020 (in each case including, seemingly, self-employment tax). The Notice DOES NOT EXTEND the deadline for any other required estimated tax payments. Therefore, for example, under the Notice self-employed individuals are still required to make second quarter 2020 estimated income tax payments by June 15. In addition, the Notice DOES NOT EXTEND the deadline for payment of any other taxes, such as payroll taxes.

Although the Notice does not extend the time for filing any tax return, on March 20 the Treasury Secretary tweeted the following:

“At [President Trump’s] direction, we are moving Tax Day from April 15 to July 15. All taxpayers and businesses will have this additional time to file and make payments without interest or penalties.”

As a result, taxpayers with federal income tax returns due on April 15 now have until July 15 to file those returns without penalty. Whether this change in policy will impact federal income tax returns with a due date falling between April 15 and July 15, or will impact any other aspect of the Notice, is not clear at this time. Please contact your Vorys tax advisor with questions.