

INSIGHTS

COVID-19 Tax Update: Tax Return Filing and Tax Payment Relief

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Last week, in a pair of notices released under President Trump's March 13, 2020 Emergency Declaration relating to the coronavirus pandemic, the IRS and the Treasury Department offered relief for tax return filing and tax payment deadlines to certain taxpayers. [Notice 2020-17](#) was released on March 18, 2020. [Notice 2020-18](#), released on March 20, 2020, restated and expanded Notice 2020-17.

Notice 2020-18 provides that, for Affected Taxpayers,

- The due date for filing U.S. federal income tax returns due April 15, 2020 is automatically postponed to July 15, 2020. Affected Taxpayers are not required to file IRS Form 4868, in the case of individuals, or IRS Form 7004, in the case of certain business entities, to qualify for the extension.
- The due date for making U.S. federal income tax payments (including estimated income tax payments and payments of self-employment tax) due April 15, 2020 is automatically postponed to July 15, 2020. In a contrast to guidance provided under Notice 2020-17, there is no limitation on the amount of the payment that may be postponed.
- 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 any U.S. federal income tax return or pay any U.S. federal income tax postponed by Notice 2020-18. Interest, penalties, and additions to tax with respect to such tax return filings and payments will begin to accrue on July 16, 2020.

Affected Taxpayers include individuals, trusts, estates, partnerships and corporations.

Although Notice 2020-18 applies only to U.S. federal income filing and payment requirements, U.S. state and local taxing authorities are expected to adopt parallel extensions in the coming weeks.