



AN ALERT FROM THE BDO FEDERAL TAX PRACTICE

BDO KNOWS: FEDERAL TAX

MARCH 2020 / www.bdo.com

IRS Releases Updated COVID-19 Relief – Now Extending Filing Date and Payment

On March 20, 2020, the Internal Revenue Service released Notice 2020-18, its second round of formal guidance – this time expanding its earlier guidance (Notice 2020-17) by including relief to taxpayers for both federal income tax returns and federal income tax payments which would be due April 15, 2020. Notice 2020-18 is available [here](#). Notice 2020-17 is superseded by Notice 2020-18.

DETAILS

Under the expanded guidance, the President's March 13, 2020, Emergency Declaration instructs the Treasury Secretary to provide relief to taxpayers affected by the novel coronavirus (COVID-19). The notice provides that any person with a federal income tax return or federal income tax payment due April 15, 2020, is an "Affected Taxpayer." Any such person includes an individual, trust, estate, partnership, association, company, or corporation. For Affected Taxpayers, the relief provides that federal income tax returns or federal income tax payments that would ordinarily be due April 15, 2020, are postponed until July 15, 2020.

The notice provides that there is no limitation on the amount of the payment that may be postponed to July 15, 2020. The relief is provided for income tax payments in respect of an Affected Taxpayer's 2019 tax year or federal estimated tax payments due April 15, 2020, for an Affected Taxpayer's 2020 tax year.

The relief provided in the notice applies only to federal income tax returns and federal income tax payments from April 15, 2020, through July 15, 2020. The notice clarifies that any interest, penalty, or addition to tax for failure to pay income taxes postponed by the notice will begin to once again accrue on July 16, 2020.

The notice expressly states: "No extension is provided in this notice for the payment or deposit of any other type of Federal tax, or for the filing of any Federal information return."

Additionally, the following states have announced business and individual income tax return filing extensions and/or late filing/payment penalty relief: California, Connecticut, Indiana, Iowa, Maryland, New York City, North Carolina, Oregon, South Carolina, Virginia, and Washington. Further, San Francisco and Seattle have announced filing extensions for local business taxes, while a number of other states have indicated they will adhere to federal extension guidance on tax payments once formalized by the Internal Revenue Service.

CONTACT

MATTHEW BECKER

National Managing Partner
616-802-3413 / mbecker@bdo.com

HOON LEE

Managing Partner / San Francisco
415-490-3247 / hslee@bdo.com

MATHEW DEMONG

Managing Partner / Boston
617-422-7575 / Mdemong@bdo.com

JOHN MARQUARDT

Managing Partner / Detroit
248-244-6505 / jmarquardt@bdo.com

JAY PAYNE

Managing Partner / Richmond
804-614-1191 / jpayne@bdo.com

TODD SIMMENS

National Managing Partner / Woodbridge
732-491-4170 / tsimmens@bdo.com

RON MARTIN

Managing Partner / Houston
713-561-6556 / rmartin@bdo.com

KAREN STONE

Managing Partner / Nashville
704-887-4138 / kstone@bdo.com

ROCKY CUMMINGS

Tax Partner / Spokane
408-352-1962 / rcummings@bdo.com

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 65 offices and over 700 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 88,000 people working out of more than 1,600 offices across 167 countries and territories.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For more information please visit: www.bdo.com.

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2020 BDO USA, LLP. All rights reserved.