IRS Announces Delay of Key Tax Deadlines in Response to COVID-19 Disruption

Apr 13, 2020

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As U.S. taxpayers grapple with impacts of the COVID-19 disruption, Congress continues to offer relief by amending the tax code, creating new credit programs, and, through the Treasury Department and Internal Revenue Service (IRS), extending tax filing deadlines. In one of its latest moves, on April 9, 2020, the IRS released Notice 2020-23 which extends additional key tax deadlines for individuals, estates, and businesses. Notice 2020-23 serves to consolidate and amplify the relief provided by the IRS in Notice 2020-18 and Notice 2020-20, while also providing additional relief to certain "Affected Taxpayers." However, the sword cuts both ways, as this Notice also provides the IRS with additional time to perform certain time-sensitive actions.

Delay of Key Taxpayer Deadlines

Notice 2020-23 postpones the due dates (whether original or pursuant to a valid extension) on or after April 1, 2020, and before July 15, 2020, for the certain types of payments and returns:

- Individual income tax (Form 1040)
- Corporate income tax (both C and S corps) (Form 1120)
- Estate and trust income tax (Form 1041)
- Estate and generation-skipping transfer tax (Form 706)
- Information regarding beneficiaries acquiring property from a decedent (Form 8971)
- Gift and generation-skipping transfer tax (Form 709)
- Estate tax payments of principal or interest due as a result of an election made under Internal Revenue Code (IRC) Sections 6166, 6161, or 6163
- Exempt organization business income tax (Form 990-T)

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- Excise tax payments on investment income (Form 990-PF) and related excise taxes (Form 4720)
- Certain quarterly estimated income tax payments for individuals, estates, exempt organizations, trusts and corporations

Relief to Affected Taxpayers

Notice 2020-23 also expands the category of taxpayers of meeting the definition of an "affected taxpayer" and provides automatic extension of certain deadlines. By virtue of this notice, any person performing a "specified time-sensitive action" which is due to be performed on or after April 1, 2020, and before July 15, 2020, constitutes an "affected taxpayer." These "specified time-sensitive actions" include the following:

- An investment due to be made during the 180-day period described in section 1400Z-2(a)(1)(A) of the IRC in a qualified opportunity zone;
- Filing a petition with the tax court, or for review of a decision rendered by the tax court;
- Filing a claim for credit or refund of any tax;
- Bringing suit upon a claim for credit or refund of any tax; and
- Other actions described in Revenue Procedure 2018-58, (Dec. 10, 2018)

Affected Taxpayers have an automatic deadline extension until July 15, 2020 for filing all forms and making payments with respect to their Specified Time-Sensitive Actions. Taxpayers are recommended to review Revenue Procedure 2018-58 for an expanded list of Specified Time-Sensitive Actions that are entitled to the relaxed deadline.

Delay of Government Deadlines

Just like many businesses, the IRS is dealing with the organizational burdens caused by the COVID-19 emergency. As a result, IRS employees will require additional time to perform time-sensitive actions. Accordingly, the following persons (as that term is defined in section 7701(a)(1) of the IRC) are “affected taxpayers” for the limited purpose of Notice 2020-23:

- persons who are currently under examination;
- persons whose cases are with the Independent Office of Appeals; and
- persons who, during the period beginning on or after April 6, 2020, and ending before July 15, 2020, file amended returns or submit payments with respect to a tax for which the time for assessment would otherwise expire during this period.

With respect to those certain “affected taxpayers,” a 30-day postponement is granted for time-sensitive IRS actions if the last date for performance of the action is on or after April 6, 2020, and before July 15, 2020.

For more information please contact Mark F. Sommer, Daniel Mudd or any attorney in Frost Brown Todd’s Tax Practice.

To provide guidance and support to clients as this global public-health crisis unfolds, Frost Brown Todd has created a Coronavirus Response Team. Our attorneys are on hand to answer your questions and provide guidance on how to proactively prepare for and manage any coronavirus-related threats to your business operations and workforce.