



Tax Briefing: COVID-19 Tax Relief

**COVID-19
UPDATE**

March 23, 2020

Highlights

- New Tax Filing Dates
- Defer Income Tax Payments
- No Need to File Extension
- Questions & Answers

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SPECIAL REPORT

The Treasury Department and IRS Issue Notice 2020-18 Extending Filing Deadline

**Tax Day now July 15, 2020 – Update to our March 19 Correspondence
as of March 22, 2020**

The Treasury Department and IRS announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020 in Notice 2020-18.

Taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief. Information can be found at the IRS website www.irs.gov/coronavirus.

We are committed to providing you with the best service possible in preparing your tax returns/extensions, and will continue to work hard to get tax returns completed and filed as quickly as possible for you. Please continue to send us your tax material. We appreciate your efforts to assist us in doing so timely, understanding that each of you will be impacted differently and have different priorities.

HOW CAN CS&L HELP

We are still here to help. Although our physical offices are closed to help do our part to slow the spread of COVID-19 (see correspondence dated March 20, 2020 or visit our web site), we are still open and working remotely and available to help navigate the changing rules for you personally and your business. The health and safety of our employees and clients is paramount and CS&L, CPAs has been taking enhanced precautions concerning the spread of COVID-19. If any major changes occur, we will update you with details. Thank you for your business. We wish you and your family good health. If you have any questions or further concerns, please do not hesitate to contact one of our offices.

QUESTIONS & ANSWERS

What tax payments are deferred until July 15, 2020?

Federal income tax payments (including self-employment tax) due on April 15 are being automatically extended until July 15, 2020, for any amount due (no longer limited). Taxes due for the 2019 taxable year and the 1st quarter estimated tax payment for 2020 are included in this relief.

The second quarter estimated tax payment due June 15, 2020, has not been deferred at this time.

Are Individual Retirement Account (IRA) and/or Health Savings Account (HSA) contributions for 2019 now due on July 15, 2020?

The rules state that IRA/HSA contributions for 2019 need to be made by the due date for filing the return for that year (not including extensions) which is now July 15, 2020. The IRS's guidance implies this, but the agency hasn't yet made it explicit. The July 15th date should also apply to withdrawals of excess contributions made for 2019. If the IRS later states a different date, we will inform you.

Can my return be e-filed without submitting payment?

Yes, and we encourage you to return the signed Form 8879 to us as soon as possible. We can file the returns as soon as possible, and payment of the tax can be made by check with a voucher form any time before July 15, 2020.

What if my return will not be ready to file by July 15, 2020?

An extension of time can be filed by July 15, 2020 to extend the deadline to October 15, 2020 for individuals and C Corporations, and to September 30, 2020 for fiduciaries).

What if I don't pay by July 15, 2020?

After July 15, penalties and interest will begin to accrue on any remaining unpaid balances.

CS&L has already e-filed my tax return, and payment of tax was set for auto-debit (withdrawal) on April 15, 2020. Will the withdrawal(s) now be on July 15, 2020?

NO! If returns have already been e-filed, the payment date of April 15, 2020 will not change. In order to change this date, you must call the IRS e-file Payment Services 24/7 at 1-888-353-4537 to inquire about or cancel your payment, but please wait 7 to 10 days after your return was accepted before calling. Cancellation requests must be received no later than 11:59 p.m. ET two business days prior to the scheduled payment date.

You will need to send your payment with a voucher, so please contact our office if you need a voucher or assistance with cancelling a payment.

Does this relief apply to other types of taxes?

The relief provided by the IRS does not apply to state income taxes, payroll or excise taxes, or any other Federal tax.

Please see our correspondence dated March 20, 2020, for an update to our office closures and remote working. We are committed to providing you with the best service possible in preparing your tax returns/extensions. The health and safety of our employees and clients is paramount and CS&L, CPAs has been taking enhanced precautions concerning the spread of COVID-19. If any major changes occur, we will update you with details. Thank you for your business. We wish you and your family good health. If you have any questions or further concerns, please do not hesitate to contact one of our offices.