

## **The IRS Removes Amount Thresholds on Income Tax Payments that can be Deferred to July 15<sup>th</sup>**

After previously announcing a 90-day extension for taxpayers making federal income tax payments up to certain limits (\$1M for individuals and \$10M for corporations), the IRS has now announced that taxpayers can postpone payments without penalties or interest “regardless of the amount.”

According to [Notice 2020-18](#), any person with a federal income tax return or payment originally due April 15<sup>th</sup> now has until July 15<sup>th</sup> to file the return(s) and/or make the payment(s). Specifically, a “person” includes an individual taxpayer, trust, estate, partnership, association, company or corporation. Taxpayers can defer payment of federal income tax (including any self-employment tax) owed for the 2019 tax year, as well as defer their initial quarterly estimated federal income tax payments for the 2020 tax year (including any self-employment tax), until July 15<sup>th</sup>.

Previously, the IRS had issued guidance (in Notice 2020-17) stating that corporations could postpone tax payments up to \$10 million and all other taxpayers could postpone payments up to \$1 million without penalties or interest. In Notice 2020-18, the IRS now states: “There is no limitation on the amount of the payment that may be postponed.”

Taxpayers need not file any additional forms to qualify for this automatic federal tax filing and payment extension. However, if you’re expecting a refund, consider filing your return(s) as soon as possible to receive your money. The IRS indicates that “most tax refunds are still being issued within 21 days.”

Need more information, clarification, or assistance? Our team can help. We are here and still available to assist taxpayers throughout the novel Coronavirus crisis. Contact us at (408) 287-7911 for more information or to schedule a Skype/Phone/Zoom appointment.