

IRS and California Postpone Filing and Payment Deadline

PROFESSIONALS

Noel Brock

Jason A. Flashberg

Robin Paule

PRACTICE AREAS

Tax

INDUSTRIES

High Net Worth
Individuals and Family
Offices

Jason Flashberg, Tax Partner, Robin Paule, Tax Partner, Noel Brock, Tax Principal
March 22, 2020

In continued response to the COVID-19 pandemic, on March 20, 2020, the IRS released Notice 2020-18 (the "Notice"), which postpones both the Federal filing and payment deadlines from April 15, 2020, to July 15, 2020. The Notice applies to any person (i.e., individual, trust, estate, partnership, association, company, or corporation) that has a Federal income tax payment or a Federal income tax return due April 15, 2020, defined in the Notice as an Affected Taxpayer. The Notice is welcoming to both taxpayers and tax practitioners. For an Affected Taxpayer, the provisions of the Notice are as follows:

- The due date for filing the Federal income tax return due April 15, 2020, has been postponed to July 15, 2020. There is no extension form to file for this three month postponement period.
- The due date for payment of Federal income taxes (including payments of tax on self-employment income) due April 15, 2020, has been postponed to July 15, 2020, with no limitation on the amount of payment that may be postponed.
- The due date for payment of Federal estimated income taxes due April 15, 2020, has been postponed to July 15, 2020.
- This Notice does not address the postponement of 2020 2nd quarter Federal estimated income taxes. Accordingly, these payments are still due June 15, 2020.
- Interest, penalties, and additions to tax for the Federal income taxes postponed by the Notice will begin to accrue on July 16, 2020, on any then unpaid balance.

The Notice does not provide for postponement beyond April 15, 2020, for the payment or deposit of any other type of Federal tax or for the filing of any Federal information return. The Notice does not provide guidance on whether the following items are postponed from April 15, 2020, to July 15, 2020:

- 2019 Form 709 (United States Gift (and Generation-Skipping Transfer) Tax Return, including payment of U.S. Gift or Generation-Skipping Transfer Tax
- 2019 Form 706-GS (D-1) (Generation-Skipping Transfer Tax Return for Distributions)
- Funding of 2019 IRA contributions
- Funding of 2019 HSA contributions
- 2019 Form 3520 (Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts)
- 2019 IRC Section 965 tax liability related to the 2017 and 2018 tax years

CALIFORNIA

California has postponed both the filing and payment deadline to July 15, 2020, for all California taxpayers. The relief is provided for the following California tax returns and payments:

- 2019 tax returns
- 2019 tax return payments
- 2020 1st and 2nd quarter estimated tax payments
- 2020 LLC taxes and fees
- 2020 Non-wage withholding payments

If you are expecting a refund, we recommend that you file your Federal and California income tax returns as soon as possible.

We will continue to monitor and report on guidance issued by the Treasury and the State of California. As always, please contact your HCVT tax professional with any questions you may have.