

IRS Postpones April 15 Tax Payment Deadline to July 15 and California FTB Announces Postponement of Filing and Payment Deadlines

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On March 18, 2020, the IRS released Notice 2020-17 (the “Notice”), which provides more clarity on the postponement of the April 15, 2020 tax payment deadline. The Notice applies to any person (i.e., individual, trust, estate, partnership, association, company, or corporation) with either:

- A Federal income tax payment (including self-employment tax) due April 15, 2020, for the person’s 2019 taxable year, or
- A Federal estimated income tax payment (including self-employment tax) due April 15, 2020, for the person’s 2020 taxable year.

Either of the above constitutes an “Affected Taxpayer”. The Notice **does not** extend the payment or deposit date for any other type of Federal tax, including, for example, a 2020 second-quarter estimated tax payment due June 15, 2020. Under the Notice:

- In the case of a taxpayer other than a corporation, an Affected Taxpayer **may defer until July 15, 2020**, payment of the first \$1,000,000 of Federal income tax payable, and, in the case of a corporation or a consolidated group of corporations, payment of the first \$10,000,000 of Federal income tax payable (each amount the “Applicable Postponed Payment Amount”).
- The Applicable Postponed Amount is the same regardless of filing status. The \$1,000,000 limit applies equally to single taxpayers and married filing joint taxpayers.
- 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.

- Interest, penalties, and additions to tax will begin to accrue on April 16, 2020, on the amount of any unpaid Federal income tax liability **in excess** of the Applicable Postponed Payment Amount not paid by the Affected Taxpayer on or before April 15, 2020.

The Notice **does not** extend the date to file any tax or information return. Therefore, the Affected Taxpayer **must still file a complete tax return or an extension of time to file by April 15, 2020.**

CALIFORNIA

Pursuant to a news release dated March 18, 2020, the California Franchise Tax Board (“FTB”) is postponing until July 15, 2020 the **filing and payment deadlines** 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

The FTB is following the federal relief described in Notice 2020-17, but without the dollar limitations. Taxpayers do not need to claim any special treatment or call the FTB to qualify for this relief. During this extension period, the FTB will not impose penalties or charge interest.

We will be monitoring other states for conformity, and as always, please contact your HCVT tax professional if you would like to discuss. During this trying and unprecedented time, the entire team at HCVT is here to assist you.