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IRS Postpones April 15 Tax Payments

The IRS formally issued guidance ([Notice 2020-17](#)) March 18 making good on promises by the Trump administration to provide tax payment relief due to the coronavirus. The guidance allows all non-corporate taxpayers an additional three months – to July 15, 2020 – to pay up to \$1 million in federal income taxes due on April 15, 2020. A higher limit of \$10 million applies to “C” corporations and consolidated groups.

The Notice does not extend the April 15 filing deadline for any taxpayers.

“Americans should file their tax returns by April 15 because many will receive a refund,” said Treasury Secretary Steven T. Mnuchin in a March 18 statement. “Those filing will be able to take advantage of their refunds sooner.”

As a result of the postponement, no interest, penalties, or additions to tax for failure to pay will apply to taxes due, up to the prescribed limits, from the period between April 15 and July 15 this year and will only begin to accrue on July 16. Such amounts will begin to accrue on April 15 for any taxes due in excess of the limits. Under the Notice, the \$1 million limit is applied regardless of filing status, not on a per-person basis. Thus a single individual, on the one hand, and married individuals filing a joint return, on the other, will each be subject to a single \$1 million limit.

The guidance applies both to payments of 2019 income taxes due on April 15, 2020, as well as to estimated income tax payments for the 2020 tax year that are due on the same day.

For questions, please contact a member of our [Tax team](#).