



## IRS to delay the April 15 tax payment deadline by 90 days

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The IRS has provided guidance on Treasury Secretary Steven Mnuchin's announcement yesterday that a 90 day extension to make tax payments due on April 15th would be available. The guidance, provided in Notice 2020-17, clarifies some of the confusion surrounding the announcement. Here is what we know:

**The extension applies to any person with a Federal income tax payment due April 15, 2020.** This includes 2019 income tax payments, including self-employment taxes, and the first quarter 2020 estimated tax payment.

**Taxpayers will still be required to file for an extension to file their income tax returns.** The April 15th filing deadline has not been extended. All taxpayers are encouraged to file on time if they are able.

**The extension applies to payments up to \$1 million for individuals and \$10 million for corporations.** Any payments in excess of these thresholds will still need to be paid by the April 15th deadline in order to avoid interest and penalties. The \$1 million threshold for individuals applies to taxpayers that file single and married filing jointly. **Interest and penalties will be automatically waived.** Taxpayers will not need to apply in order to have the interest and penalties waived.

**Reasonable cause may still allow for a waiver of penalties for payments not covered by the extension.** Individuals, trusts, and estates may still request a late payment penalty waiver for reasonable cause. The reasonable cause waiver is not available for corporations or tax-exempt organizations.

We encourage you to reach out to your HBK advisor with any questions and concerns, and discuss what this extension may mean for your specific tax situation. We are closely monitoring guidance as it becomes available, and will continue to update you as the need arises.

## **About the Author(s)**

*Amy is a Principal and the Chair of the Tax Advisory Group at HBK CPAs & Consultants. The Tax Advisory Group is a group of highly specialized professionals who provide tax training to our team members, oversee compliance with tax policies in order to mitigate risk to the firm, and provide tax planning and consulting services for our clients.*

*Amy specializes in estate, gift, trust, individual, and nonprofit taxation. She is skilled at researching complicated tax issues, consulting on complex estate plans, and providing guidance for our clients to ensure they are in compliance with their tax filing responsibilities.*

*Amy enjoys sharing her knowledge and passion for tax planning with clients and other professionals. She is a frequent speaker at bar association and estate planning council events, and has authored many articles discussing tax planning techniques and compliance issues.*