

CORONAVIRUS

INFORMATION & UPDATES

March 18, 2020

Administration Defers April 15 Tax Payments until July 15

President Trump previously issued an emergency declaration “to provide relief from tax deadlines” in response to the Coronavirus Disease 2019 (COVID-19) pandemic, but without any details. Today the Treasury Department released the details in Treasury Notice 2020-17. The notice can be found [here](#). Details are:

- While the April 15, 2020 filing deadline is unchanged, the due date for making federal income tax payments has been postponed until July 15, 2020. Taxpayers are permitted to postpone up to \$10,000,000 for consolidated groups and C-corporations not filing a consolidated return and up to \$1,000,000 for all other taxpayers regardless of filing status (i.e., a \$1,000,000 limit for an individual filing a single return and a \$1,000,000 limit for married individuals filing a joint return). (For clarity, Taxpayers should still file automatic extensions but can rely on this notice to delay payment.)
- Self-employment tax and 2020 estimated tax payments are included in this payment due date extension to July 15, 2020.
- The applicable limits apply in the aggregate, taking into account both 2019 tax payments otherwise due with an extension or tax return, as well as 2020 estimated tax payments.
- Interest, penalties and additions to tax for failure to pay will not be assessed during the postponement period on amounts up to the limits, though interest, penalties and additions to tax will accrue without suspension on any Federal income taxes owed in excess of the limits set out above.
- Taxpayers subject to penalties or additions to tax despite the relief granted may seek reasonable cause relief under section 6651 of the Internal Revenue Code of 1986, as amended (the “*Code*”) for failure to pay tax, or seek a waiver to a penalty under section 6654 of the Code, though corporate taxpayers and tax-exempt organizations are not entitled to such relief under section 6655 of the code.

On Wednesday, March 18, the Senate voted (90-8) to approve the Families First Coronavirus Response Act without amendment, and the President signed it into law. Congress and the administration are now referring to the Act as “Phase 2” of its response to the coronavirus emergency. “Phase 1” included \$8.3 billion of appropriations toward vaccine development and prevention efforts. Today, the Treasury released its framework for “Phase 3.” The current proposal for Phase 3 would deal with, among other things, direct payments to individual taxpayers, the creation of a small business interruption loan program, and appropriations toward the airline industry and other distressed sectors. Treasury’s Phase 3 framework can be found [here](#). The Senate is expected to begin negotiations on Phase 3 immediately. Ropes & Gray will track these developments and provide additional alerts as information becomes available.