

THOUGHT LEADERSHIP

LEGAL UPDATES

PUBLISHED: FEBRUARY 23, 2021

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IRS Extends 2021 Tax Filing Deadline for Texas Taxpayers Impacted by Winter Storm

Following an announcement from the Internal Revenue Service (IRS) on February 22, 2021, Texas residents and business owners suffering from the February 2021 winter storm will now have until June 15, 2021, to file certain tax returns and make tax payments (including 2021 estimated tax payments) normally due prior to June 15, 2021.

This includes the typical business tax returns (e.g., corporation Forms 1120 and 1120-S and partnership Form 1065) due March 15, 2021; individual returns due April 15, 2021; and payroll and excise tax returns due April 30, 2021.

Nonprofit corporations that file Form 990 otherwise due on May 17, 2021, will have until June 15, 2021, to file such returns as well.

Extensions may still be submitted for the normal extended due dates (i.e., through October 15, 2021, for individual Form 1040s). Extensions will not need to be filed until June 15, 2021, however.

Texas vs. Federal deadlines

To date, the Texas Comptroller has not extended the normal May 15, 2021, due date for Texas franchise tax returns and the accompanying Texas franchise tax. The Texas Comptroller did match the IRS's extension in 2020 for federal tax returns due to the COVID-19 pandemic, so guidance is expected to be forthcoming.

What this means to you

These extensions are automatic; no specific action is needed by taxpayers. If the IRS sends any late payment or filing penalty notices to an affected taxpayer (despite the automatic extension), the IRS advises contacting the IRS at the appropriate number that will be listed on the notice.

Finally, as a reminder, those suffering uninsured or unreimbursed casualty-related losses may deduct those losses in the year preceding the loss (i.e., the 2020 tax return) in lieu of waiting to prepare and file the 2021 tax return in 2022. Personal (nonbusiness) casualty losses are still subject to the \$100 per loss/10 percent of adjusted gross income (AGI) limitation such that portion of the loss exceeding such amounts may be deducted. Federal Emergency Management Agency (FEMA) Declaration Number 4856 should be shown on the return showing such loss.

These extensions will help Texas residents as they continue to recover from the historic storm.

Contact us

If you have question regarding tax deadlines, tax deduction or navigating updates to tax law, contact Lynn Butler, Doug Jones, Albert Lin or your Husch Blackwell attorney.