

LEGAL UPDATES

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Service

Tax

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IRS Updates Tax Filing and Payment Guidance

On Friday March 20, 2020 the Internal Revenue Service issued IRS Notice 2020-18 regarding federal income tax payments and income tax returns due on April 15, 2020. The guidance supersedes and replaces IRS Notice 2020-17 that was issued on March 18, 2020.

The guidance released Friday provides an automatic extension to file federal income tax returns from April 15, 2020 until July 15, 2020. The new guidance also eliminates the thresholds (previously, individuals up to \$1 million and corporations up to \$10 million) that taxpayers could defer payments and permits unlimited tax payment deferral for individuals and businesses for those extra three months. Payments previously due on April 15 are now due on July 15, 2020, without limit.

The above only applies to federal returns and payments due April 15, 2020. While states are largely expected to follow these rules, each state law should be reviewed to make sure. Also, the extensions only apply to returns and amounts due on April 15. For example, if an estimated tax payment is due on June 15, that due date still applies.

Contact us

Husch Blackwell's Tax practice group will continue to monitor developments on the federal and state levels throughout tax season and during this unprecedented public health crisis. If you have questions regarding IRS Notice 2020-18 or other tax-law issues, Dan Geraghty, Robert Romashko, Rachel Scott or your Husch Blackwell lawyer.

Husch Blackwell has launched a COVID-19 response team providing insight to businesses as they address challenges related to the coronavirus outbreak. The page contains programming and content to assist clients and other interested

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parties across multiple areas of operations, including labor and employment, retailing, and supply chain management, among others.