

Tax News Alert



March 19, 2020

COVID-19 Update: Federal, State, and Local Tax Deadline Changes

As the COVID-19 pandemic continues to cause significant disruptions to individuals and businesses, tax agencies are beginning to respond with increased communication around upcoming tax filing deadlines and payments. In some cases, this includes changes to tax filing deadlines and the deferral of tax payments. The information and changes are rapidly evolving. We will continue to provide more detailed information in future *Tax News Alerts* as it becomes available.

Federal Taxes

On March 18, 2020, the Internal Revenue Service issued Notice 2020-17 (the "Notice") granting relief to taxpayers affected by the COVID-19 pandemic under Internal Revenue Code § 7508A(a). Pursuant to the emergency declaration issued by the President of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Notice provides tax relief to any Affected Taxpayer, defined as any person (individuals and C Corporations) with a Federal income tax payment due April 15, 2020.

For an Affected Taxpayer, the deadline for making Federal income tax payments due April 15, 2020, in an aggregate amount up to the Applicable Postponed Payment Amount, is postponed until July 15, 2020. For individuals, regardless of filing status, the Applicable Postponed Payment Amount is \$1 million. For each C corporation consolidated group or each C Corporation that does not file as part of a consolidated group, the Applicable Postponed Payment Amount is \$10 million.

Importantly, the Notice does not extend the date to file tax returns or extensions. The relief is only available for Federal income tax payments due on April 15, 2020 with respect to the 2019 tax year and for Federal estimated tax payments due on April 15, 2020 for the 2020 tax year. The relief does not apply to any other payment or deposit.

During the deferral period, taxpayers will not be subject to interest, penalties, or additions to tax on any Applicable Postponed Payment Amount pursuant to the Notice. Interest, penalties, and additions to tax will apply to amounts in excess of the above limitations that are due and unpaid by April 15, 2020.

At a recent White House press briefing, Treasury Secretary Steven Mnuchin previewed the relief included in the Notice. Secretary Mnuchin emphasized that tax refunds will not be impacted by these changes and will be paid upon the filing of tax returns.

Tax News Alert

State and Local Taxes

Along with the Federal tax changes, a few state and local governments have released taxpayer relief guidance. While the guidance has differed among jurisdictions, it has generally taken the form of extended deadlines for the filing of tax returns and the payment of taxes. As of this writing, California and Connecticut have passed legislation to extend the filing and tax payment dates. While New Jersey has proposed changes, they have not yet passed legislation.

For New York State taxpayers, the New York State Tax Department has not currently extended any of the tax return deadlines.

Contacts

For more information and a discussion on how this may affect you and your business, please contact the FLSV professional with whom you work or any of the below FLSV professionals:

Business Tax Professionals

Alan Frankel

Founding Partner
W: +1 (516) 874-8815
M: +1 (917) 359-4092
alan@flsv.com

Charles Vallone

Founding Partner
W: +1 (516) 874-8825
M: +1 (917) 359-2566
charles@flsv.com

Hyejin Tak

Partner
W: +1 (516) 874-8824
M: +1 (917) 509-5236
hyejin.tak@flsv.com

Iraida Strokovskaya

Partner
W: +1 (516) 874-8830
M: +1 (917) 715-8262
iraida.strokovskaya@flsv.com

Adam Fisher

Principal
W: +1 (516) 874-8910
M: +1 (516) 838-0784
adam.fisher@flsv.com

Robert Altieri

Principal
W: +1 (516) 874-8871
M: +1 (724) 516-0864
robert.altieri@flsv.com

Individual Tax Professionals

Seth Starr

Founding Partner
W: +1 (516) 874-8835
M: +1 (917) 359-2749
seth@flsv.com

Patty Bo

Partner
W: +1 (516) 874-8845
M: +1 (917) 693-9129
patty@flsv.com

Erik Gary

Principal
W: +1 (516) 874-8836
M: +1 (917) 763-7395
erik.gary@flsv.com

Gregg Martorella

Principal
W: +1 (516) 874-8840
M: +1 (516) 640-1981
greg.martorella@flsv.com

Mary Beth Tarter

Principal
W: +1 (561) 770-1490
M: +1 (917) 715-0677
Marybeth.tarter@flsv.com

© 2020 Frankel Loughran Starr & Vallone LLP. All rights reserved.

This information and content are for general information purposes only and should not be construed as legal, accounting, or tax advice or opinion. This should not be relied upon as your particular facts and circumstances should be evaluated by a professional advisor. Please consult your professional advisor.

For additional information, including any comments, contact Frankel Loughran Starr & Vallone LLP at (516) 874-8800, 1475 Franklin Avenue, Garden City, New York 11530.