

# TAX ALERT

## ADDITIONAL INFORMATION ABOUT THE POSTPONED FEDERAL FILING AND PAYMENT DEADLINES

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March 25, 2020



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The Internal Revenue Service Issued [Notice 2020-18 \(The "Notice"\)](#) on March 20th, postponing income tax filing and payment deadlines from April 15, 2020 to July 15, 2020. See our Alert ["IRS Issues Guidance Regarding Extension of Tax Filing and Payment Deadlines."](#) The IRS issued [Filing and Payments Deadlines Questions and Answers](#) yesterday that help explain certain aspects of Notice 2020-18. Below are some highlights:

**Estate and Gift Taxes:** The Notice does not affect estate and gift tax filing and payment deadlines; normal filing and payment due dates will continue to apply.

**Section 965 Transition Tax Installment Payments:** The Notice postpones any section 965 installment payments due on April 15, 2020 to July 15, 2020. This relief only applies with respect to an installment payment due with a taxpayer's 2019 federal income tax return with an original due date of April 15, 2020.

**Base Erosion and Anti-Abuse Tax (BEAT):** The Notice postpones any estimated BEAT payments from April 15, 2020 to July 15, 2020 if the taxpayer's federal income tax return filing deadline has likewise been postponed.

**Information Returns:** The due date for information returns is not extended under the Notice. The questions and answers further provided a list of returns that are extended under the Notice. Form 3520, (Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts) is not one of the returns listed. Although the due date of Form 3520 is linked to the due date of its related income tax return (such as Form 1040), it is not clear if Form 3520 has been extended under the Notice.

**Filing Extensions:** Taxpayers with deadlines postponed from April 15, 2020 to July 15, 2020 may still request an automatic extension of time to file their federal income tax return. The extended deadline to file will be October 15, 2020 and requests for an extension must be made by July 15, 2020. The deadline for payment cannot be extended beyond July 15, 2020.

**Estimated Tax Payments:** The Notice postponed the deadline for making first quarter estimated tax payments from April 15, 2020 to July 15, 2020. Question 16 highlights that the second quarter 2020 estimated tax payment is still due on June 15, 2020.

**IRA Contributions:** Contributions to an IRA for the 2019 tax year can now be made on or before July 15, 2020

**10% Additional Tax on Retirement Plan Distributions:** The Notice postpones, until July 15, 2020, the deadline for paying the 10% additional tax on amounts includible in gross income from IRA or workplace-based retirement plan distributions in 2019.

**Employer Contributions to Qualified Retirement Plans:** The Notice postpones, until July 15, 2020, the grace period under section 404(a)(6) for employers to make contributions to qualified retirement plans for the 2019 tax year.

**Refund Claims:** Refund Claims for prior tax years are not affected by the Notice. Thus, taxpayers who wish to claim a refund for the 2016 tax year generally must still file such a claim by its original due date. If the original due date is April 15, 2020, the refund claim must still be filed by April 15, 2020.

**Tax Deposits:** The Notice does not postpone the due date for making any tax deposits. Therefore, the Notice will not affect the due date to deposit payroll or excise taxes, to withhold on account of Fixed, Determinable, Annual, or Periodical (FDAP) income, or to withhold on account of effectively connected income (ECI).

**Report of Foreign Bank and Financial Accounts (FBAR):** The April 15, 2020 deadline to file an FBAR does not appear to be affected by the Notice. However, under pre-existing guidance, a taxpayer who fails to timely file an FBAR by April 15, 2020 will automatically receive an extension to October 15, 2020.

Mazars USA LLP is continuing our operations in a normal fashion and we have ensured that our systems are able to handle a fully remote workforce without interruption of client services. We encourage you to send us your tax documents as soon as possible (preferably in electronic format) so that we can continue providing the exceptional service that you have come to expect from Mazars USA.

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