



TAX CLIENT ALERT

U. S. Treasury and IRS Issue Guidance on Deferring Tax Payments Due to COVID-19 Outbreak

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The U.S. Treasury Department and Internal Revenue Service (IRS) [have issued guidance](#) allowing all individual and other non-corporate tax filers to defer up to \$1 million of federal income tax (including self-employment tax) payments due on April 15, 2020, until July 15, 2020, without penalties or interest.

The guidance also allows corporate taxpayers a similar deferment of up to \$10 million of federal income tax payments that would be due on April 15, 2020, until July 15, 2020, without penalties or interest.

However, the published guidance by the U. S. Treasury Department and IRS does not change the April 15, 2020, federal income tax return filing deadline for 2019 tax returns. The guidance encouraged persons to file their federal income tax returns by April 15, 2020, and stated those filing by that date who are entitled to a refund will be able to receive it sooner. This deferment allows those persons who owe a payment to the IRS to defer the payment until July 15, 2020, without interest or penalties.

The U. S. Treasury and IRS announcement of the deferment of 2019 income tax payments stated it is intended to ensure Americans and businesses have additional liquidity for the next several months. The published guidance states the deferment will result in approximately \$300 billion of additional liquidity in the economy in the near term. The guidance on deferment of payment of federal income tax is stated more specifically in [IRS Notice 2020-17](#).

If you have questions about this IRS notice, or other matters involving taxes, please contact any attorney at GableGotwals you know or those who work in that practice area named below.

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