



Tax Client Alert

U. S. Treasury, IRS, and Oklahoma Tax Commission Guidance Issued on Income Tax Payment Deferral and Tax Return Filing Date Extension Due to COVID-19

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The U.S. Treasury Department and Internal Revenue Service (IRS) have [issued guidance](#) allowing deferral of payment of federal income taxes and [extension of the filing date](#) of federal income tax returns as a result of the COVID-19 virus pandemic.

The Oklahoma Tax Commission has [also authorized](#) Oklahoma income tax payment deferral and tax return filing date extension relief for taxpayers.

The IRS and Oklahoma Tax Commission first published guidance providing for deferral of payment of income tax, but without an extension of the income tax return filing date. Subsequently, the IRS and Oklahoma Tax Commission announced extension of applicable income tax return filing dates by reason of the COVID-19 virus outbreak. The published guidance presently states the federal and Oklahoma “Tax Day” for both payment and return filing is now July 15, 2020.

Federal Income Tax Payment Deferral and Tax Return Filing Extension

The Treasury and IRS on March 18, 2020, published a notice providing that taxpayers could defer payment of a specified limited amount of federal income tax due on April 15, 2020, to July 15, 2020, without penalties and interest. The IRS then, on March 21, 2020, published information (IR-2020-58) stating that the filing deadline and date for federal tax payments is now July 15, 2020, regardless of the amount owed. The IRS then, on March 24, 2020, published Notice 2020-18, providing restated and extended guidance and confirming the federal income tax deferred tax payment and tax return filing extension date of July 15, 2020.

IRS published Notice 2020-18, and guidance therein, updated to March 24, 2020, provides and states:

- An individual, trust, estate, partnership, association, company or corporation, with a federal income tax payment or a federal income tax return due April 15, 2020, is a person provided tax payment and tax return filing relief under the notice.
- For an individual, trust, estate, partnership, association, company or corporation, with a federal income tax payment or a federal income tax return due April 15, 2020, the due date for filing federal income tax returns and making federal income tax payments due April 15, 2020, is automatically postponed to July 15, 2020.

- Taxpayers do not have to file IRS Forms 4868 or 7004.
- There is no limitation on the amount of the payment that may be postponed.
- The relief provided by the IRS notice is available solely with respect to federal income tax payments (including payments of tax on self-employment income) and federal income tax returns due on April 15, 2020, in respect of a taxpayer's 2019 taxable year, and federal estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020, for a taxpayer's 2020 taxable year.
- No extension is provided for the payment or deposit of any other type of federal tax, or for the filing of any federal information return.

As a result of the postponement of the due date for filing federal income tax returns and making federal income tax payments from April 15, 2020, to July 15, 2020, the period beginning on April 15, 2020, and ending on July 15, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file the federal income tax returns or to pay the federal income taxes postponed by the IRS notice. Interest, penalties, and additions to tax with respect to such postponed federal income tax filings and payments will begin to accrue on July 16, 2020.

The IRS has [published a list](#) of Filing and Payment Deadlines Questions and Answers. These are stated as answers to frequently asked questions related to the tax payment and return filing relief that is provided for in IRS Notice 2020-18.

Oklahoma Income Tax Payment Deferral and Tax Return Filing Extension

An Oklahoma Tax Commission published statement, updated March 23, 2020, states that Oklahomans now have until July 15, 2020, to file and pay their 2019 Oklahoma income tax return.

The Tax Commission statement provides that in response to Treasury Secretary Steven T. Mnuchin's announcement on Friday, March 20, 2020, that the Trump administration has decided to push the federal income tax filing date from April 15, 2020, to July 15, 2020, the Oklahoma Tax Commission is likewise extending the 2019 Oklahoma income tax return due date from April 15, 2020, to July 15, 2020. This is applicable to income tax due from Tax Year 2019 and the first quarter payment for Tax Year 2020, both of which would normally be due on April 15, 2020.

The Oklahoma Tax Commission has established a dedicated page with current information regarding COVID-19 updates. [Click here](#) to view.

If you have questions about this IRS federal income tax payment deferral and income tax return filing extension, or Oklahoma income tax payment deferral and income tax return filing extension, please contact any attorney at GableGotwals you know or those who work in that practice area named below.

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