



IRS and PA DOR Delay Filing and Tax Payment Deadline Due to COVID-19

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March 23, 2020



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On Friday, March 20, 2020, Treasury Secretary Steven Mnuchin announced (via tweet no less) that the tax ***filing*** deadline would also be delayed until July 15th, aligning the filing due date with the extended payment deadline that he announced on March 17, 2020. The lack of a filing extension under the original notice drew backlash from tax preparers, trade groups, and lawmakers who said having two separate deadlines and rules for filing and paying taxes would likely confuse taxpayers.

The guidance, that was subsequently released by the IRS on Friday, supersedes and expands the earlier announcement regarding a delay in payments of Federal income tax and gives taxpayers and their advisers coping with the COVID-19 pandemic more time to prepare tax returns as well. It also permits unlimited Federal income tax payment deferrals for individuals and businesses for those extra three months (the earlier announcement limited tax payment deferrals of \$1 million for individual and small business filers and \$10 million for corporations).

Now, all taxpayers have an extra ninety (90) days to file their 2019 income tax returns and make any income tax payments that would have been due on April 15, 2020, including Federal estimated income tax payments (including payments of tax on self-employment income). However, no extension was provided for the payment or deposit of any other type of Federal tax, or for the filing of any Federal information return.

The new deadline for BOTH filing 2019 Federal income tax returns and making income tax payments, including estimated income tax payments, otherwise due April 15, 2020 is now July 15, 2020. No extension form need be filed to take advantage of the delay. Of course, if a taxpayer is due a refund for 2019, they should consider filing their returns as soon as possible so as not to delay the receipt of their refund from the Treasury.

Over the weekend, the Pennsylvania Department of Revenue also announced the deadline for taxpayers to file their 2019 Pennsylvania personal income tax returns is extended to July 15, 2020. This means taxpayers will have an additional ninety (90) days to file from the original deadline of April 15th. The Department of Revenue will also waive penalties and interest on 2019 personal income tax payments through the new deadline of July 15, 2020. This extension applies to both final 2019 tax returns and payments, and estimated income tax payments for the first and second quarters of 2020.

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About the Author: Mr. Fernandez focuses his practice on structuring and implementing estate and tax planning strategies for individuals and closely held businesses. His work includes assisting clients with all the legal and tax aspects of the formation and operation of various business entities, including proprietorships, partnerships, corporations, limited liability companies, and joint ventures. If you have any questions regarding this client alert, please contact Mr. Fernandez (afernandez@wispearl.com) or any one of Wisler Pearlstine's Private Client Services Department attorneys. We look forward to hearing from you.

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