

Key Points from IRS Notice 2020-17

The IRS has issued Notice 2020-17 *Relief for Tax Payers Affected by Ongoing Coronavirus Disease Pandemic*. The full text of the IRS Notice 2020-17 may be accessed [here](#). A summary of the key points from the Notice is below. This information is current as of 3/18/2020.

- It is NOT an automatic extension of time to file.
 - Taxpayers requiring an extension of time to file, should proceed with filing an extension by April 15, 2020
- It is ONLY an automatic extension of *time to pay* taxes due at April 15, 2020, subject to the stipulated taxpayer caps.
- The extension of time to pay is until July 15, 2020
 - Tax balances remitted by 7/15/2020 will NOT be subject to additional penalties and interest
 - Individual taxpayers have a tax deferral cap per filer
 - Single/Married Filing Joint/Married Filing Separate - \$1,000,000 cap
 - No family or ownership attribution provisions were noted
 - So, one cap per individual taxpayer return filer
 - Corporations have their own tax deferral cap per filer
 - \$10,000,000 per consolidated Corp return filer
 - \$10,000,000 per each individual C Corp return filer
- Filing an extension at April 15, 2020 DOES NOT preclude a taxpayer from availing themselves of tax deferral, subject to the above caps.
 - Tax balances normally remitted with an April 15th extension filing, instead can be deferred until July 15th.
 - If timely remitted by then, no penalties or interest will be assessed on the eligible deferred tax amount.
- 2020 Estimated Tax Payment amounts due April 15, 2020
 - Such amounts **are also eligible** to be deferred until July 15, 2020
 - However, they are combined with any 2019 taxes owed at April 15, 2020 in measuring the respective \$1M/\$10M caps
 - 2020 Self-employed taxes due at April 15, 2020 as part of the estimated tax payment process ARE included in determining amounts eligible for deferral and the respective cap provisions.
 - 2020 estimated tax payments owed at June 15th DO NOT appear to be covered under the provisions of this Notice.
- The eligible tax deferral amount ONLY applies to Income Taxes
 - Other taxes, such as, payroll, excise and gift are excluded from this provision.

If you have questions about how Notice 2020-17 applies to your tax situation, please connect with your PKF Texas tax team. Visit [PKFTexas.com/COVID-19](https://www.pkftexas.com/COVID-19) for the latest updates regarding COVID-19.