

IRS NOTICE 2020-23 PROVIDES ADDITIONAL DEADLINE EXTENSION RELIEF

Hodgson Russ Federal-International Tax Alert
April 10, 2020

On April 9, 2020, the Internal Revenue Service (IRS) issued Notice 2020-23, which amplifies relief set forth in multiple recently issued IRS notices by providing additional relief to taxpayers affected by COVID-19. The Notice also provides the IRS with additional time to perform certain actions. Here are some of the highlights of Notice 2020-23.

Tax and Information Return Filing Obligations and Payment Obligations

The Notice provides that any person with certain Federal tax payment obligations and Federal tax return and other form filing obligations, which have an original or validly extended due date falling between April 1, 2020 and July 14, 2020 now has until July 15, 2020 to make the payment or file the tax return or form. (Any deadline that expired before April 1, 2020, however, is not covered.) The relief is automatic; taxpayers do not have to call the IRS or file any extension request or other document with the IRS. Also, the period beginning on April 1, 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 a return or form, or failure to make any payment, postponed by the notice.

Some of the tax returns and forms, and payments due therewith, which are eligible for relief under the Notice include:

- Form 1040 series, including Form 1040NR (U.S. Nonresident Alien Income Tax Return);
- Installment payments due under Internal Revenue Code section 965(h);
- Form 1120 series, including Forms 1120-F (U.S. Income Tax Return of a Foreign Corporation) and 1120-S (U.S. Income Tax Return for an S Corporation);
- Form 1065 (U.S. Return of Partnership Income);
- Information returns and forms that are filed as attachments to any of the foregoing or are required to be filed by the due date of any of the foregoing, such as Forms 3520, 5471, 5472, 8621, 8858, 8865, and 8938;
- Form 1041 (U.S. Income Tax Return for Estates and Trusts);
- Estate and generation-skipping transfer tax payments and return filings, including Forms 706 and 706-NA;

Attorneys

Paul Baldovin Jr.
James Bandoblu Jr.
Nathan Berti
Andrew Besch
Brad Birmingham
Katherine Cauley
Thomas Collura
Paul Comeau
Ariele Doolittle
Catherine Eberl
Carol Fitzsimmons
Warren Gelman
Kevin Gluc
Debra Herman
Kenneth Hunt
Britta McKenna
Thomas Nelson
William Turkovich
Marla Waiss

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- Form 709 (U.S. Gift (and Generation-Skipping Transfer) Tax Return);
- Estate tax payments of principal or interest due as a result of an election made under Internal Revenue Code sections 6166, 6161, or 6163 and annual recertification requirements under Code section 6166;
- Form 990-T (Exempt Organization Business Income Tax Return);
- Excise tax payments and return filings on Forms 990-PF and 4720; and,
- Quarterly estimated income tax payments, including the second quarter estimated individual income tax payment normally due June 15, calculated on or submitted with Forms 1040-ES, 1040-ES (NR), 1041-ES, and 1120-W, and 990-W.

Specified Time-Sensitive Actions

Taxpayers also have until July 15, 2020 to perform certain specified time-sensitive actions that are due to be performed on or after April 1, 2020 and before July 15, 2020. This relief includes the time for:

- filing all petitions with the Tax Court;
- filing an action for review of a decision rendered by the Tax Court;
- filing a claim for credit or refund of any tax; and,
- bringing suit upon a claim for credit or refund of any tax.

In addition, any person performing a time-sensitive action listed in either Treasury Regulation section 301.7508A-1(c)(1)(iv)-(vi) or IRS Revenue Procedure 2018-58, which is due to be performed on or after April 1, 2020 and before July 15, 2020 has until July 15, 2020 to perform such action. Such actions include certain accounting method and period changes, Internal Revenue Code section 83(b) and 338(h)(10) elections, and identifying property in connection with a like-kind exchange under Code section 1031.

Certain Government Acts

The Notice also provides the IRS with additional time to perform certain time-sensitive actions as a result of IRS employees, taxpayers, and practitioners possibly being unable to access documents, systems, or other resources necessary to perform such actions due to office closures or government orders restricting activities. Consequently, IRS employees will require additional time to perform time-sensitive actions, and the Notice has granted a 30-day postponement for such actions if the last date to perform the action is on or after April 6, 2020 and before July 15, 2020. This relief is applicable to:

- persons who are currently under examination;
- persons whose cases are with the Independent Office of IRS Appeals; and,
- persons who, during the period beginning on April 6, 2020 and ending before July 15, 2020, file amended returns or submit payments with respect to a tax for which the time for assessment otherwise would expire during this period.

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The tax professionals at Hodgson Russ LLP will continue to monitor relief provided by the IRS and state and local taxing authorities and publish updates as information becomes available. Please contact James M. Bandoblu, Jr. (716.848.1351), or one of the other tax attorneys at Hodgson Russ LLP if you would like to discuss how IRS Notice 2020-23 may impact your tax situation.

All our attorneys are currently working remotely and can respond to any questions or concerns you have whenever you need us. We are here to support you during this challenging time!

Please check our Coronavirus Resource Center and our CARES Act page to access additional information related to these rapidly evolving topics.

If you received this alert from a third party or from visiting our website, and would like to be added to any of our mailing lists, please visit us at: <https://forms.hodgsonruss.net/sign-up-for-email-and-other-communications..html>