

March 18, 2020

Internal Revenue Service Postpones Certain April 15 Federal Income Tax Payment Deadlines

On March 13, 2020, President Trump issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act¹ in response to the ongoing Coronavirus Disease 2019 (“COVID-19”) pandemic (the “Emergency Declaration”). The Emergency Declaration instructed the Secretary of the Treasury “to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency, as appropriate, pursuant to 26 U.S.C. 7508A(a).” Secretary Mnuchin publicly announced on March 17, 2020 that individual taxpayers would be allowed to defer up to \$1 million, and corporations would be allowed to defer \$10 million for up to 90 days without penalties or interest.²

On March 18, 2020, pursuant to the Emergency Declaration and Section 7508A(a) of the Internal Revenue Code, the Internal Revenue Service issued Notice 2020-17 (the “Notice”) to implement this payment delay.

For any person with a federal income tax payment due April 15, 2020 (an “Affected Taxpayer”), the Notice postpones the due date for federal income tax payments originally due on April 15, 2020 to July 15, 2020 for amounts up to:

- \$10,000,000 for each consolidated group or for each C corporation that does not join in filing a consolidated return, and
- \$1,000,000 for all other Affected Taxpayers regardless of filing status (*i.e.*, the Applicable Postponed Payment Amount is \$1,000,000 for both single individuals and married individuals filing a joint return).

Relief described in the Notice is available with respect to federal income tax payments (including payments of tax on self-employment income) due on April 15, 2020 in respect of an Affected Taxpayer’s 2019 taxable year as well as federal estimated income tax payments due on April 15, 2020 in respect of an Affected Taxpayer’s 2020 taxable year. There is no requirement that an Affected Taxpayer demonstrate any direct impact of the coronavirus pandemic.

¹ Pub. L. No. 100-707 (1988).

² *Remarks by President Trump, Vice President Pence, and Members of the Coronavirus Task Force in Press Briefing* (Mar. 17, 2020, 11:39 AM) (<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-vice-president-pence-members-coronavirus-task-force-press-briefing-4/>).

The Notice does not provide an extension for the payment of any other type of federal tax or for the filing of any tax return or information return.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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