

# **IRS Information Update**

The IRS has officially announced Federal Income Filings and Payment deferrals for 2019 taxes owed by individuals, partnerships, and corporations for Tax Year 2019. The **FILING** deadline for Tax Year 2019 is July 15<sup>th</sup>, 2020. Clients with a balance due to the IRS will be contacted before the July 15, 2020 delayed payment due date.

**\*Please note – a deferral is a delay of the due date for tax filings and tax payments, this is NOT an automatic EXTENSION of time to file returns. The IRS is changing information daily. Extensions of time to file have not been addressed relative to the due date or the tax liability needed to pay in to avoid penalties. We will continue to update our website with new information as it comes.**

## **INDIVIDUALS and EMPLOYERS**

***IRS Tax Deferral Includes:*** All income tax filings and estimated tax payments are automatically delayed until **July 15, 2020**.

- First and second quarter's estimated tax payments for *individuals, passthrough entities, and C-Corporations* will be delayed until July 15, 2020.

Penalties and interest will begin to accrue on any remaining unpaid balances as of July 16, 2020. If you file your tax return or request an extension of time to file, you will automatically avoid interest and penalties on the taxes paid by July 15.

***IRS Tax Deferral does NOT include:*** State Income Taxes – The IRS Federal Income Tax relief does not apply to State Income taxes. We are projecting that State Income Tax filings will also be delayed, because states base their filings off of Federal Tax Forms. Check with your state taxing authorities by visiting <https://www.taxadmin.org/state-tax-agencies> to view what deferrals (*if any*) are being offered.

## **EMPLOYERS**

***IRS Tax Deferral does NOT Include:*** Form 941 Payroll Taxes – As of the time of this posting, there is no penalty/interest relief for Federal Payroll Taxes (Social Security, Medicare, Federal Income Taxes Withheld). If you have determined that you do not have the funds to cover the payroll taxes due – please advise your Tax Professional to NOT schedule the relevant payments. The penalties for insufficient funds are greater than those accrued for simple non-payment. There are no extensions of time to file/pay at this time.