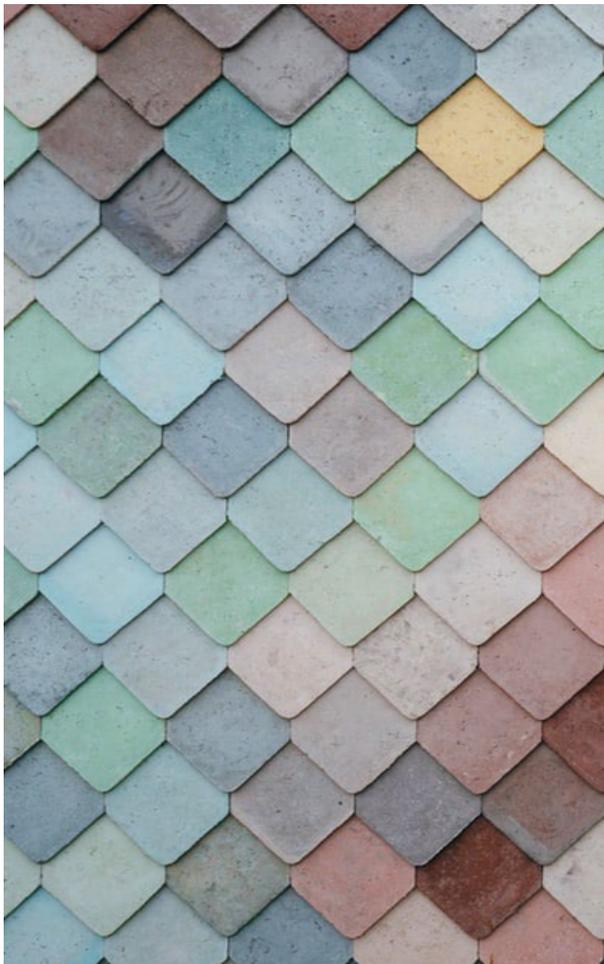


## Rockefeller Insights

# 2020 Tax Postponement

On Friday, March 20, Secretary of the Treasury Steve Mnuchin announced via twitter that the Internal Revenue Service (IRS) would postpone the April 15th tax-filing deadline until July 15 of this year for most U.S. taxpayers. Late Friday Evening, the IRS released official guidance in response to Secretary Mnuchin's tweet earlier in the day. Notice 2020-18<sup>1</sup> clarifies that the due date for filing Federal income tax returns and making Federal income tax payments is automatically postponed from April 15, 2020, to July 15, 2020, for all taxpayers "including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax."<sup>2</sup> The IRS subsequently released a series of FAQs<sup>3</sup> and Notice 2020-20<sup>4</sup> to provide further clarification. A summary of Notice 2020-18 and the key points clarified in the FAQs and Notice 2020-20 are provided below:



### What We Know from Notice 2020-18

- Returns and extensions previously due, are now automatically postponed until July 15, 2020. No additional forms are required.
- This deferment includes first quarter estimated income tax filings and payments due on April 15, 2020.
- There is no requirement for Affected Taxpayers to show a direct impact from the COVID-19 pandemic, so this payment relief essentially applies to all taxpayers.
- A number of states are following suit; the AICPA has prepared a daily updated list with each state's response<sup>5</sup>.
- Under the new deferral, there is no limit on amounts due. Regardless of taxes due or estimated payments owed, the filing and payment of taxes is deferred until July 15, 2020.
- The IRS is encouraging taxpayers to continue filing returns when ready, particularly if they are owed a refund.

<sup>1</sup> The full text of IRS Notice 2020-18 can be found [here](#).

<sup>2</sup> This language is from IR-2020-58, full text [here](#).

<sup>3</sup> The IRS web page containing the FAQs can be found [here](#).

<sup>4</sup> The full text of IRS Notice 2020-20 can be found [here](#).

<sup>5</sup> AICPA state response table can be found [here](#).

## Rockefeller Insights

# 2020 Tax Postponement

### Clarification in the FAQs & Notice 2020-20

- **Estate & Gift Taxes - Initially, the FAQs stated that normal filing and payment due dates continue to apply to Estate and Gift taxes. However, on Friday, March 27 the IRS released Notice 2020-20 which automatically postponed the filing and payment deadlines for Federal Gift and Generation-Skipping Transfer (GST) Tax Returns (Form 709). Estate Tax returns (Form 706) with original or extended due dates of April 15, 2020 are still not granted relief with respect to filing and payment due dates.**
- **Second-quarter estimated tax payment due June 15, 2020** - With the first quarterly estimated tax payment deferred until July 15, 2020 the second quarter payment is irrelevant, although it was not technically postponed. Taxpayers can make their estimates for both payments in their deferred first-quarter payment by July 15, 2020.
- **Extension on contributions to IRA or Roth IRA for 2019** - The deadline to make contributions to IRAs has been postponed, along with the tax deadline, to July 15, 2020.
- **Reduction or Elimination of Required Minimum Distributions (RMDs)** - While not covered in the IRS Notices or FAQs, the CARES Act, signed into law on Friday, March 27th suspends RMDs for the 2020 tax-year. We are currently drafting a summary of highlights for the additional individual and business tax provisions in this bill. It will be available shortly.

As the situation unfolds, the IRS may provide additional clarification and we are monitoring for updates. As always, we encourage clients to contact their Rockefeller Capital Management and outside legal and tax advisors with additional questions.

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