Insights: Alerts

IRS Provides 90-Day Federal Income Tax Payment Relief Due to COVID-19

March 19, 2020

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Please note: The below information may require updating, including additional clarification, as the COVID-19 pandemic is dynamic and continues to develop. Please monitor this site and/or your email for updates.

On March 18, 2020, the IRS issued Notice 2020-17 which extends the due date for payment of certain federal income taxes otherwise due on April 15, 2020, to July 15, 2020.

Notice 2020-17 provides that each consolidated group of corporations (as defined in §1.1502-1) or for each C corporation that does not join in filing a consolidated return may defer payment of up to $10,000,000 of federal income taxes otherwise due on April 15, 2020 to July 15, 2020. All other taxpayers will be permitted to defer payment of up to $1,000,000 regardless of filing status. For example, the $1,000,000 limitation is the same for a single individual and for married individuals filing a joint return.

The payment relief provided by Notice 2020-17 is available solely with respect to Federal income tax payments (including payments of tax on self-employment income) due on April 15, 2020, in respect of the taxpayer's 2019 Federal income tax liability, and Federal estimated income tax payments (including payments of tax on self-employment income) due on April 15, 2020, for the taxpayer's 2020 tax year.

No extension is provided in Notice 2020-17 for the payment or deposit of any other type of Federal tax (such as payroll taxes), or for the filing of any tax return or information return.

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