

bodman

An Update From Bodman PLC

Bodman PLC | [COVID-19 Response Team Website](#)

March 2020

Treasury Allows 90-day Tax Payment Deferral

As most have heard by now, Treasury Secretary, Steve Mnuchin, announced that individuals and corporations may delay their tax payments as described below for 90 days due to the coronavirus pandemic. However, this announcement only affects 2019 federal income taxes and does not address 2020 estimated tax payments, payroll taxes, or estate and gift taxes.

Further, Mnuchin's announcement does not delay the April 15 filing deadline. Currently, on or before April 15 taxpayers are required to file an income tax return or a request for extension of time to file a return. A taxpayer expecting a tax refund should file their income tax return by the April 15 filing deadline.

Per Mnuchin's announcement, individuals may defer up to \$1 million for 90 days from the April 15 deadline and corporations may defer up to \$10 million for 90 days. The IRS will not charge interest or penalties on these deferred amounts during this 90 day period. As such, each taxpayer may want to consider deferring payment of taxes for the 90 day period.

The announcement also does not apply to state income taxes. Several states have already provided tax relief and others have indicated they will provide filing and/or tax payment relief similar to the relief granted by the Department of Treasury. [Here is a link to a list compiled by the AICPA of the State Tax Filing Requirements for Coronavirus Pandemic updated as of March 17, 2020.](#)

We will be closely monitoring the situation at the federal and state levels and will continue to provide updates.