

Healey & Associates
Certified Public Accountants and Consultants

Dear Clients and Friends,

As a follow up and update on my prior message, I am sending to you additional guidance from the IRS in the form of frequently asked questions.

- What about businesses or other entities that have filing due dates on May 15, June 15, or some other date besides April 15. Have their filing and payment deadlines been postponed?
 - No, any taxpayers who have filing or payment due dates other than April 15 have not been granted relief at this time.
- Does the relief provided in the Notice apply to payroll or excise taxes?
 - No, under the Notice, normal filing, payment, and deposit due dates continue to apply to both payroll and excise taxes.
- Does the relief provided in the Notice apply to section 965(h) installment payments due on April 15, 2020?
 - Yes, the relief applies to section 965 installment payments due on April 15, 2020. Although the section 965(h) installment payment is generally made in respect of a taxpayer's 2017 or 2018 tax year, under section 965(h)(2), the due date of the installment payment associated with a 2019 tax return is the due date of the taxpayer's 2019 Federal income tax return. For any taxpayer whose Federal income tax return filing due date has been postponed from April 15 to July 15, 2020, the due date of that taxpayer's section 965 installment payment has also been postponed to July 15, 2020.
- I haven't filed my 2019 income tax return that would have been due on April 15, but I expect to file it by July 15. What do I need to do?
 - Nothing, except file and pay any tax due with your return by July 15. You don't need to file any additional forms or call the IRS to qualify for this automatic Federal tax filing and payment relief. If you expect a refund, you are encouraged to file your return as soon as you can so that you can receive your refund. Filing electronically with direct deposit is the quickest way to get refunds. If you need more time beyond July 15 to file your return, request an automatic extension of time to file as described next.
- What if I am unable to file my 2019 income tax return that would have been due on April 15 by July 15, 2020?
 - If you are an individual, you can request an automatic extension to file your Federal income tax return if you can't file by the July 15 deadline. The easiest and fastest way to request a filing extension is to electronically file Form 4868 through your tax professional, tax software, or using the Free File link on IRS.gov. Businesses, including trusts, must file Form 7004.

You must request the automatic extension by July 15, 2020. If you properly estimate your 2019 tax liability using the information available to you and file an extension form by July 15, 2020, your tax return will be due on October 15, 2020. To avoid interest and penalties when filing your tax return after July 15, 2020, pay the tax you estimate as due with your extension request.

- I already filed my 2019 income tax return that would have been due on April 15 and I owe taxes, but I haven't paid yet. What do I need to do to avoid interest and penalties?
 - To avoid interest and penalties, pay your taxes in full by July 15, 2020. If you filed Form 1040 or Form 1040-SR, the tax payment amount can be found on line 23. If you filed Form 1040-NR, the tax payment amount can be found on line 75. For a corporation filing a Form 1120, the tax payment amount can be found on line 35.

Interest and penalties will begin to be charged after July 15 for any amount remaining unpaid by that date.

- I already filed my 2019 income tax return that would have been due on April 15 and scheduled a payment of taxes for April 15, 2020. Will this payment be automatically rescheduled to July 15, 2020?
 - No, the payment will not be automatically rescheduled to July 15. If you do nothing, the payment will be made on the date you chose. Here is information on how to cancel and reschedule your payment:
 - If you scheduled a payment through IRS Direct Pay, you can use your confirmation number from the payment to access the Look Up a Payment feature. You can modify or cancel a scheduled payment until two business days before the payment date. The email notification you received when you scheduled the payment will contain the confirmation number.
 - If you schedule a payment through Electronic Federal Tax Payment System (EFTPS), click on Payments from the EFTPS home page, login, then click Cancel a Tax Payment from the left menu and follow the instructions. You must do so at least two business days before the scheduled payment date.
 - If you scheduled a payment as part of filling your tax return (authorizing an electronic funds withdrawal), you may revoke (cancel) your payment by contacting the U.S. Treasury Financial Agent at 888-353-4537. You must call to make a payment cancellation request no later than 11:59 p.m. ET two business days prior to the scheduled payment date.
 - If you scheduled a payment by credit card or debit card, contact the card processor to cancel the card payment.

- **The Notice postpones the deadline for first quarter 2020 estimated income tax payments due on April 15, 2020. What about second quarter estimated tax payments due on June 15? Have they been postponed as well?**
 - **No, second quarter 2020 estimated income tax payments are still due on June 15, 2020. First quarter 2020 estimated income tax payments are postponed from April 15 to July 15, 2020.**

- **Does this relief provide me more time to contribute money to my IRA for 2019?**
 - **Yes. Contributions can be made to your IRA, for a particular year, at any time during the year or by the due date for filing your return for that year. Because the due date for filing Federal income tax returns has been postponed to July 15, the deadline for making contributions to your IRA for 2019 is also extended to July 15, 2020. For more details on IRA contributions, see Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).**

I hope this guidance answers most of your questions.

On a related note, as soon as we have an official \$2 trillion legislation, I will be sending out the most relevant parts to you as interested and affected individuals and businesses.

I pray you and your families are healthy during this period of great challenge.

William J. Healey III