



OBSERVATIONS

NO CHANGE TO TAX FILING DEADLINE BUT DEFERRAL OF TIME TO PAY

March 18, 2020

5:00 PM

Dear Clients:

We continue to monitor information as it becomes available regarding the coronavirus and how this information pertains to our staff, clients and their businesses. In particular, we are monitoring proposed changes to tax filing and tax payment requirements.

We have noticed that there is some misinformation in the press and internet regarding tax filing deadlines and tax payment requirements. The IRS issued Notice 2020-17 that clarifies the relief offered to taxpayers regarding coronavirus.

1. The IRS clarified that any federal income tax payment under 1 Million dollars for personal taxpayers and 10 Million dollars for corporate taxpayers that would be due April 15th may be delayed until July 15th. This includes payments due with 2019 tax returns and extensions as well as first quarter 2020 estimates.
2. This IRS clarified that any filing deadline for April 15th has NOT been extended. As such, individuals and businesses are required to either file a return or file an extension by the April 15, 2020 deadline, even if the payment related to the return or extension need not be made until July.
3. People are encouraged to file by April 15th if they anticipate they will be receiving a refund.
4. Many states are implementing legislation to conform with the IRS extension payment deadlines. However, every state is addressing it individually. Currently there is no official word from New Hampshire relative to the tax payment or filing deadline but we anticipate they will provide formal direction well in advance of any April 15th deadline.

Given the above, we are encouraging people to do the following;

- A. If you've already filed your tax return and paid any tax due:
 - a. A consideration is likely how to address your quarterly payments
 - b. As such, if you have not been notably affected by the issues for the virus, you can consider for simplicity sake, just keeping with the payment schedule we've already provided you.
 - c. Alternatively, you may need to consider deferring and/or adjusting the first quarter payment for various reasons including, but not limited to;

- i. Your business income will be reduced
 - ii. Cash flow issues
 - iii. Stock market conditions
- B. If your return has not been filed:
 - a. We encourage you to provide us information as soon as possible and allow us to extend your return
 - b. This would be done for several reasons including;
 - i. Allows time to address preparation of your return given the current upheaval with schedules
 - ii. Helps to currently avoid potential face-to-face contact issues and maintain the social distancing as encouraged by the various governments and health agencies
 - iii. Allows time to reflect on the effect of the virus on people's lives, their taxes and their businesses including addressing quarterly estimates which may require adjustment based on how the virus has affected your business in the first half of the year.

We hope you will reach out to us with questions or concerns as we all work together through these tumultuous times. The Washington situation is in flux as the Administration and Congress seek to address this unique situation. As we monitor the information provided, we will keep you informed.

MALONEY & KENNEDY, PLLC