



## Update on 2019 filing deadlines and tax payments

It has been just 10 days since our physical office closed and our staff transitioned to remote work. However, in those 10 days, there have been numerous updates as they relate to the 2019 filing season. Below are a few important updates we would like to bring to your attention:

### **\*IRS Extends Individual Tax Deadline to July 15\***

As of March 21, the Treasury Department and Internal Revenue Service announced that the federal income tax filing deadline has been automatically extended from April 15, 2020 to July 15, 2020.

In addition to the extended filing deadline, taxpayers can also defer federal tax payments due April 15, 2020 to July 15, 2020 without incurring penalties and interest, regardless of the amount owed. This applies to individuals, trusts and estates, and corporations.

There is no form to file or official request to make to qualify for the extension of either filing or payment until July 15. If additional time is needed to file beyond the July 15 filing deadline, an extension will need to be requested. We will be addressing the need to file an extension on a case-by-case basis with clients as we approach the July 15 deadline.

In addition, the IRS is allowing taxpayers to defer their 1<sup>st</sup> quarter 2020 estimated tax payment due April 15 to July 15. Please note that currently, the option to defer payment only applies to the 1<sup>st</sup> quarter payment and not to the 2<sup>nd</sup> quarter payment due June 15<sup>th</sup>. The 2<sup>nd</sup> quarter payment is still required to be remitted timely.

Although the IRS has curtailed certain operations, including closing Taxpayer Assistance Centers, they are assuring taxpayers they are continuing to accept and process tax returns and as of today, most tax refunds are still being issued within 21 days. For additional information, please visit:

<https://www.irs.gov/coronavirus>.

### **\*Clients with Federal Tax Payments Already Scheduled for April 15\***

Prior to the announcement that taxpayers may defer their federal income tax payments to July 15, we had already prepared and filed returns for many clients who opted to have their balances due automatically withdrawn from their bank account at the April 15 due date. Once we file a return within our software, we are unable to make changes to the returns, including the payment options the client selected at the time of filing.



However, for those who have already e-filed and opted to have their balance withdrawn on April 15<sup>th</sup>, you may cancel your payment by calling the US Treasury Financial Agent at 1-888-353-4537. You may then visit [www.irs.gov/directpay](http://www.irs.gov/directpay) to reschedule your payment for July 15<sup>th</sup>.

Please note that we are unable to call and cancel, or subsequently reschedule, your payment on your behalf.

### **\*District of Columbia Income Tax Filings and Payments\***

DC has conformed to the same automatic 90-day extension of the April 15 filing deadline at the federal level for its taxpayers. As such, taxpayers may file and pay by July 15, 2020 without interest or penalty accruing for late payments. For additional information, please visit:

<https://otr.cfo.dc.gov/page/coronavirus>.

### **\*Maryland Income Tax Filings and Payments\***

Maryland has also conformed to the same automatic 90-day extension of the April 15 filing deadline at the federal level for its taxpayers. As such, taxpayers may file and pay by July 15, 2020 without interest or penalty accruing for late payments. For additional information, please visit:

<https://www.marylandtaxes.gov/individual/index.php>.

### **\*Virginia Income Tax Filings and Payments\***

The May 1 filing deadline for Virginia income tax returns remains in place. However, the Virginia Department of Taxation has indicated that any income tax payments due April 1, 2020 through June 1, 2020 may be submitted at any time on or before June 1, 2020 without incurring a late payment penalty. Taxes eligible for the extended deadline of June 1 include individual, corporate, fiduciary and estimated tax payments.

Interest will continue to accrue on payments made after the May 1 filing deadline. Therefore, taxpayers able to remit payment by the May 1 deadline are encouraged to do so.

Virginia does allow for an automatic 6 month extension of time to file for all taxpayers, putting the filing deadline at November 1, 2020. There is no form or application required to file an extension. However, the automatic extension only relates to filing your return and not to remitting payment. Any payment must be made with an extension by June 1, 2020 to avoid late payment or extension penalties. For additional information, please visit: <https://www.tax.virginia.gov/news/coronavirus-updates>.



Further guidance, clarification, and updates are continuing to be released by federal and state authorities. Our team is reviewing the information as it is released and will continue to keep you informed. As always, we are continuing to prepare and file tax returns in the order we have received information from clients. We appreciate your patience and understanding during these challenging times and understand that everyone's primary focus is on the health and well-being of their family, friends and colleagues.