



It is hard to believe that it has been over a year since we closed our physical office and our staff transitioned to remote work. Just like all of you, we have learned to live and work in our “new normal”. When new legislation is enacted and changes to filing deadlines are announced while tax season is underway, it can be challenging to keep abreast. Below are a few important updates we would like to bring to your attention regarding changes to filing deadlines:

IRS Extends Individual Tax Deadline to May 17, 2021

On March 17, 2021, the IRS announced that the federal income tax filing due date for individual tax returns for the 2020 tax year has been automatically extended from April 15, 2021 to May 17, 2021.

Individual taxpayers can also postpone federal income tax payments for the 2020 tax year due on April 15, 2021 to May 17, 2021 without penalties and interest, regardless of the amount owed. The postponement applies to individual taxpayers, including individuals who pay self-employment tax. Penalties, interest and additions to tax will begin to accrue on any remaining unpaid balances as of May 17, 2021.

The IRS has also automatically postponed to May 17 the time for individuals to make 2020 contributions to their individual retirement arrangements (IRAs and Roth IRAs), health savings accounts (HSAs), Archer Medical Savings Accounts (Archer MSAs), and Coverdell education savings accounts (Coverdell ESAs).

There is no form to file or official request to make to qualify for the extension of either filing or payment until May 17th. If additional time is needed to file beyond the May 17 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 May 17 deadline.

It should be noted that relief does NOT apply to first quarter estimated tax payments for the 2021 tax year that are due on April 15, 2021. These payments are still due on April 15. The extended deadline does NOT apply to corporations, trusts or estates. Filing and payment deadlines for these tax entities remains April 15, 2021.

Clients with Federal Tax Payments Already Scheduled for April 15

Prior to the announcement that taxpayers may defer their federal income tax payments to May 17, we had already prepared and filed returns for many clients who opted to have their balances due automatically withdrawn from their bank account at the April 15 due date.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 15th, 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 to reschedule your payment for May 17th. For more information, please visit: <https://www.irs.gov>.

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 extension of the April 15 filing deadline at the federal level for its taxpayers. As such, DC taxpayers may file their DC returns by May 17, 2021 without interest or penalty accruing for late payments. The deadline for estimated tax payments remains unchanged. First quarter estimated tax payments are due on April 15. For additional information, please visit: <https://otr.cfo.dc.gov>

Maryland Income Tax Filings and Payments

Maryland has extended the state income tax filing deadline by three months to July 15, 2021. No interest or penalties will be assessed if returns are filed and taxes owed are paid by the new deadline. The extension applies to individuals, pass-through entities, fiduciary and corporate state income tax returns. The due date for first AND second quarter estimated tax payments for 2021 has also been extended to July 15, 2021. For additional information, please visit: <https://www.marylandtaxes.gov>.

Virginia Income Tax Filings and Payments

Virginia has conformed to the same automatic extension of the filing deadline at the federal level for its taxpayers. As such, taxpayers may file and pay by May 17, 2021 without interest or penalty accruing for late payments. The deadline for estimated tax payments remains unchanged. First quarter estimated tax payments remain due on May 1. For additional information, please visit: <https://www.tax.virginia.gov>

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.

Stay well!