

NEWS BRIEF

Provided by: CIA Insurance & Risk Management

IRS Allows Deferred Tax Payments Without Penalties Due to Coronavirus

The Treasury Department and the IRS issued new guidance related to federal tax payments and coronavirus disease 2019 (COVID-19).

According to the guidance, “all individual and other non-corporate tax filers” can defer federal tax payments of up to \$1 million until July 15, 2020, (normally April 15) without interest or penalties. Corporations have a similar deferment option of up to \$10 million.

Although this guidance allows for federal tax payment deferrals, **it does not change the filing date requirement.** Individuals and businesses must still file by the April 15, 2020, deadline.

The administration says this guidance will result in nearly \$300 billion of additional liquidity in the economy.

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Individuals must still file taxes by April 15, 2020, whether deferring payment or not.

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What’s next?

Employers don’t need to make any changes at the moment. This guidance is intended to help reduce the economic burden of COVID-19, so employers may take advantage of this new deferment option as they see fit.

The IRS and Treasury Department said they will continue to update policies and issue additional guidance as needed during this time of crisis.

Stay tuned for more updates related to COVID-19. Speak with CIA Insurance & Risk Management for additional resources to help your business and your employees during this uncertain period.

