

Alert | Health Emergency Preparedness Task Force: Coronavirus Disease 2019



April 17, 2020

IRS Deadline Extensions Due to Coronavirus Disease 2019

On April 9, 2020, the IRS announced in [Notice 2020-23](#) that it would expand relief to taxpayers adversely affected by Coronavirus Disease 2019 (COVID-19), increasing the relief set forth on April 6, 2020, in Notice 2020-18. Notice 2020-23 extends certain key deadlines for businesses and individuals, including federal income tax return filings and payments and certain [Section 1031 like-kind exchanges](#) and Opportunity Zone investments filings. It also makes clear that the relief provided in the IRS notices “does not apply with respect to any other type of Federal tax, any other type of Federal tax return, or any other time-sensitive act.” Notice 2020-23 also postpones certain deadlines for IRS employees due to their inability to access documents, systems, or other resources to perform certain time-sensitive actions given office closures or state and local government orders restricting activities.

Tax Return and Payment Deadlines

In March, the IRS issued Notice 2020-17, Notice 2020-18, and Notice 2020-20 in quick succession, which extended the due date to file certain federal income tax returns and make certain federal income tax payments from April 15, 2020 to July 15, 2020. Under Notice 2020-23, the extension until to July 15, 2020 now applies to all taxpayers with a federal tax filing and/or payment obligation listed below that falls on or after April 1, 2020, and before July 15, 2020.

The relief provided in Notice 2020-23 is automatic; taxpayers need not file extension forms or send other documents to receive this relief. Interest and penalties will begin to accrue after July 15, 2020.

Taxpayers that need additional time to file a return now have until July 15, 2020, to file a formal extension request. However, the extension date may not go beyond the original extension date. The relief under Notice 2020-18, Notice 2020-20, and Notice 2020-23 is limited to the following taxpayer filing and payment obligations:

- Individual federal income tax payments and filing obligations on
 - Form 1040, U.S. Individual Income Tax Return;
 - Form 1040-SR, U.S. Tax Return for Seniors;
 - 1040-NR, U.S. Nonresident Alien Income Tax Return;
 - 1040-NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents;
 - 1040-PR, Self-Employment Tax Return – Puerto Rico;
 - 1040-SS, U.S. Self-Employment Tax Return;
 - Form 1040-ES, Estimated Tax for Individuals;
 - Form 1040-ES (NR), U.S. Estimated Tax for Nonresident Alien Individuals; and
 - Form 1040-ES (PR), Estimated Federal Tax on Self Employment Income and on Household Employees (Residents of Puerto Rico).
- Calendar and fiscal year corporate federal income tax payments and filing obligations on
 - Form 1120, U.S. Corporation Income Tax Return;
 - Form 1120-C, U.S. Income Tax Return for Cooperative Associations;
 - Form 1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation;
 - Form 1120-H, U.S. Income Tax Return for Homeowners Associations;
 - Form 1120-L, U.S. Income Tax Return for U.S. Life Insurance Companies;
 - Form 1120-ND, Nuclear Decommissioning Funds and Certain Related Persons;
 - Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return;
 - Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations;
 - Form 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts;
 - Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies;
 - Form 1120-S, U.S. Income Tax Return for an S Corporation;
 - Form 1120-SF, U.S. Income Tax Return for Settlement Funds; and
 - Form 1120-W, Estimated Tax for Corporations.
- Calendar and fiscal year partnership income tax returns on
 - Form 1065, U.S. Return of Partnership Income; and
 - Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.
- Estate, trust, gift, and generation-skipping transfer tax payments and filing obligations on
 - Form 1041, U.S. Income Tax Return for Estates and Trusts;
 - Form 1041-N, U.S. Income Tax Return for Electing Alaska Native Settlement Trusts;
 - Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts;
 - Form 1041-ES, Estimated Income Tax for Estates and Trusts;

- Form 706, U.S. Estate (and Generation-Skipping Transfer) Tax Return;
 - Form 706-NA, U.S. Estate (and Generation-Skipping Transfer) Tax Return;
 - Form 706-A, U.S. Estate (and Generation-Skipping Transfer) Tax Return;
 - Form 706-QDT, U.S. Estate Tax Return for Qualified Domestic Trusts;
 - Form 706-GS(T), Generation-Skipping Transfer Tax Return for Terminations;
 - Form 706-GS(D), Generation-Skipping Transfer Tax Return for Distributions;
 - Form 706-GS(D-1), Notification of Distribution from a Generation-Skipping Trust;
 - Form 706, U.S. Estate (and Generation-Skipping Transfer) Tax Return filed pursuant to Revenue Procedure 2017-34;
 - Form 8971, Information Regarding Beneficiaries Acquiring Property from a Decedent and any supplemental Form 8971, including all requirements contained in section 6035(a) of the Code;
 - Gift and generation-skipping transfer tax and return filings on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return that are due on the date an estate is required to file Form 706 or Form 706-NA; and
 - Estate tax payments of principal or interest due as a result of an election made under sections 6166, 6161, or 6163 and annual recertification requirements under section 6166 of the Code.
- Exempt organization tax payments and filing obligations on
 - Form 990-T, Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e) of the Code);
 - Form 990-W, Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations; Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, including excise tax payments on investment income; and
 - Form 4720, Return of Certain Excise Taxes under Chapters 41 and 42 of the Internal Revenue Code.

The extension to July 15, 2020, also applies to the schedules, information returns, and forms filed as attachments to the above-listed forms, including

- Schedule H, Household Employment Taxes;
- Schedule SE, Self-Employment Tax;
- Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts;
- Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations;
- Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business;
- Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund;
- Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs);
- Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships; and
- Form 8938, Statement of Specified Foreign Financial Assets.

In addition, installment payments required to be made pursuant to the transition tax under Code section 965(h) that were due on or after April 1, 2020, and before July 15, 2020, shall now be timely made if made on or before July 15, 2020. Elections that are required to be made on a timely filed return specified above are deemed to be timely if made on or before July 15, 2020.

Refund and Other Tax Claims

Notice 2020-23 generally postpones the deadline for refund claims that would otherwise expire on or after April 1, 2020, and before July 15, 2020. The notice postpones the deadline for filing the claim for refund until July 15, 2020. For example, for a 2016 tax return, the normal April 15, 2020, deadline to claim a refund has been extended to July 15, 2020. However, for refund claims that expired before April 1, 2020, there is no extension.

This postponement includes the time for filing all petitions with the Tax Court, for review of a decision rendered by the Tax Court, and for bringing suit upon a claim for credit or refund of any tax.

Notice 2020-23 also extends the deadline for the “quick refund” procedure found on Form 4466 for U.S. corporations. The application for a quick refund of an overpayment of estimated tax must be filed by July 15 for a calendar year taxpayer. The application deadline for a fiscal year taxpayer normally must be filed by the 15th day of the 4th month after the end of the entity’s tax year (or the 3rd month after the end of the entity’s tax year for a June 30 fiscal-year entity). If the fiscal year taxpayer’s deadline normally falls between April 1, 2020, and July 15, 2020, that deadline is also extended to July 15.

Government Actions

Notice 2020-23 also provides IRS employees with a 30-day postponement for certain time-sensitive actions. The postponements will only impact the following taxpayers:

- persons who are currently under examination (including an investigation to determine liability for an assessable penalty under subchapter B of Chapter 68);
- persons whose cases are with the Independent Office of Appeals; and
- persons who during the period beginning on or after April 6, 2020, and ending before July 15, 2020, file written documents described in section 6501(c)(7) of the Code (amended returns) or submit payments with respect to a tax for which the time for assessment would otherwise expire during this period.

The 30-day postponement applies to time-sensitive actions if the last date for performance of such an action is on or after April 6, 2020, and before July 15, 2020, including:

- assessing any tax;
- giving or making any notice or demand for the payment of tax;
- collecting by levy or otherwise any liability in respect of any tax;
- bringing suit by the United States or any officer in respect of any liability in respect of any tax; allowing a credit or refund of any tax; and
- any other act specified in a revenue ruling, revenue procedure, notice, or other guidance published in the Internal Revenue Bulletin.

Section 1031 Like Kind Exchanges

The IRS has extended time-sensitive deadlines for delayed 1031 exchanges and reverse 1031 exchanges. [Read the full GT Alert on this subject here.](#)

Opportunity Zones

Notice 2020-23 also extends deadlines for Opportunity Zone investors into Qualified Opportunity Funds. Generally, a taxpayer may elect to defer capital gain from the sale or exchange of property with an unrelated person by investing all or part of its eligible gains in a Qualified Opportunity Fund within 180-days after the sale or exchange or within another relevant 180-day window depending on the taxpayer's specific situation. If a taxpayer has sold a capital asset, and the investor's relevant 180-day deadline to invest such capital gains falls between April 1, 2020, and July 15, 2020, the 180-day deadline is now extended to July 15, 2020, for investment in a Qualified Opportunity Fund.

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