



**KORBITZ FINANCIAL PLANNING**

*Your goals. Your plan. Your terms.*

March 19, 2020

Dear Clients and Friends:

Yesterday, March 18<sup>th</sup>, the IRS released Notice 2020-17, as a response to the current COVID-19 crisis.

It is important to note what the Notice did NOT do. The notice did NOT delay the requirement to either file or extend income tax returns by April 15<sup>th</sup>. Thus, you must still file or extend your 2019 income tax return by April 15, 2020.

What the Notice DOES do is delay for 90 days, until July 15<sup>th</sup>, the due date for PAYMENT of taxes due with your 2019 Federal income tax return, and Federal estimated tax payments due April 15, 2020.

If you have a tax due with your 2019 Federal income tax return you can elect to pay it as late as July 15, 2020 and not be subject to late payment penalties.

If you have a first quarter 2020 Federal estimated payment, you can pay it as late as July 15, 2020 and not be subject to late payment penalties.

A few questions and answers of things I thought of:

Q: Does this apply to Wisconsin or other state income tax returns?

A: Not at this point in time.

Q: You prepared and filed my return already and the tax payment is scheduled to come out of my checking account before April 15<sup>th</sup>. Can I change that?

A: Yes, you can call the phone number of the acknowledgement letter that I sent you and cancel the tax payment. You will be responsible for making the payment prior to July 15<sup>th</sup>, as I cannot change the payment date for an already filed return. I recommend that you leave the payment as is.

Q: I asked you to set up my estimated payments to be automatically withdrawn from my checking account on the due date. Will the April 15<sup>th</sup> payment now come out on July 15<sup>th</sup>?

A: I do not believe so. As with the Q&A above, you could contact the US Treasury to cancel the payment, but I would not recommend doing that.

Q: You have not yet finished my tax return. Can you arrange for any tax due to be paid by July 15<sup>th</sup>?

A: I believe my tax software provider will issue an update that will allow this, but it may take a few days to a few weeks. I would expect this to occur by the end of March. I will work with clients for whom I have not finished their tax returns on this issue.

Q: My second quarter US estimated payment is due June 15, 2020. Is that also delayed to July 15?

A: No. Only the first quarter 2020 estimated payment due April 15<sup>th</sup> has been deferred.

Please let me know if you have any questions. Please be patient with my response time.

Be well, stay healthy.

*Eric*

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