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# IRS issues guidance on delay in paying federal taxes owed

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WASHINGTON — Under the federal emergency to address the coronavirus pandemic, individual and married taxpayers will have 90 more days — until July 15 — to pay the federal taxes they owe, but they still must file their tax return by April 15, the Internal Revenue Service said Wednesday.

In an official notice detailing the tax-payment delay announced Tuesday by Treasury Secretary Steven Mnuchin, the IRS said individuals and married couples filing jointly can delay making tax payments up to \$1 million. Corporations can delay paying up to \$10 million.

But no one can delay filing by the April 15 deadlines, though any one can request and get a six-month delay to file on Oct. 15, the notice said. Mnuchin urged everyone to file by the usual April 15 deadline, especially those who will get money back from the IRS.

“We encourage those Americans who can file their taxes to continue to file their taxes on April 15, because for many Americans, you will get tax refunds and we don't want you to lose out on those tax refunds,” Mnuchin said.

The notice cleared up some questions about which taxes the payment delay covers: They include tax payments due after completing the tax form,

estimated payments on self-employment income and estimated taxes due for six-month extension filings to Oct. 15.

The new guidelines, however, could create problems for some self-employed taxpayers setting up required payments back to back on June 15 and July 15, the new date for the April 15 payment, said CPA Joseph Perry of Marcum LLP, a Manhattan-based accounting firm.

During the second quarter, self-employment income, like the revenues for many businesses, is expected to take a hit under the emergency measures — including quarantines, closings of businesses and public offices, and an economic slowdown.

“Generally, the people that are making estimated payments probably have the money for the payment for April, because they have two months under their belt,” Perry said. “But the June one, which is just two months after the April one, is going to be very difficult to make.”

Perry said his guess is that the IRS might combine the June and July payments in July. The IRS likely will review the effects of the new payment schedule and could hear from concerned self-employed taxpayers and members of Congress.

“I don't think that [schedule] was anticipated,” Perry said, “because things are moving so quick.”

Mnuchin announced the deferred payment plan, which he called “interest-free and penalty-free,” at a Tuesday news briefing, saying it would release \$300 billion in liquidity.

“If you owe a payment to the IRS, you can defer up to a million dollars as an individual. And the reason why we're doing a million dollars is that covers lots of pass-throughs and small businesses,” Mnuchin said.

Mnuchin has resisted calls by members of Congress to push back the deadline for filing tax forms and returns to a later date.

All members of the Long Island delegation have joined this call for a delay in filing: Rep. Tom Suozzi (D-Glen Cove), Rep. Peter King (R-Seaford), Rep. Kathleen Rice (D-Garden City), Rep. Gregory Meeks (D-St. Albans) and Rep. Lee Zeldin (R-Shirley).

The IRS notice said the emergency declaration under the Stafford Disaster Relief and Emergency Assistance Act gives the Treasury secretary the authority to order changes in tax law for the relief of taxpayers affected by the COVID-19 emergency.