



On March 13, 2020, the President of the United States issued an emergency declaration under in response to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic.

### **How is the Federal Tax Filing Season Impacted?**

There has been much angst and confusion this tax filing season as accountants and lawyers are directed to keep away from their offices just when it is their busiest time of year with only four more weeks until the April 15 filing deadline. As I write this, Secretary Mnuchin has announced by Twitter that the filing deadline will be extended to July 15 - as many had hoped. Treasury Secretary Mnuchin created additional turmoil when he announced a payment delay which some interpreted as a filing delay. The IRS had issued an information Notice for this season of tax filing (Notice 2020-17) with the following guidance.

- Tax returns and estimated tax payments will still be due April 15, 2020. We know (at least if you follow Twitter) that the regular return date is pushed back to July. Shall we hope or assume that this guidance pertains to estimated tax returns and employment tax returns?
- Payment of tax may be postponed until July 15, 2020 up to certain amounts without penalty.
- For C corporations and consolidated groups that limit is \$10,000,000.
- For all other Affected Taxpayers, the Applicable Postponed Payment Amount is up to \$1,000,000 regardless of filing status.
- No extension is provided for the payment or deposit of any other type of Federal tax or for the filing of any tax return or information return.
- No interest, penalty or addition to tax for failure to pay tax will be due for the period of time between April 15 and July 15 but will start to accrue July 16, 2020. Interest, penalty and additions to tax will be assessed for amounts unpaid that exceed the limits above.

There is some indication that IRS is postponing levy and collection action during this time but no official notice has been published as of this writing.

### **How is Pennsylvania Handling Tax Filing?**

The Pennsylvania Department of Revenue has closed its offices to slow the spread of the COVID-19 virus. There is no one to answer the telephone at the Revenue Department's call centers. This has an obvious impact on how we continue to represent your interests at this time. Inquiries to the Revenue Department can be submitted online to <http://revenue-pa.custhelp.com>. The Department's online website has many answers to questions already available.

**Pennsylvania Inheritance Tax returns** that are due for filing and payment should be submitted once the County Register of Wills re-open subject to the following instructions:

If a taxpayer is filing a return or making a payment and indicates that either was due during the timeframe that offices were closed, please place a date received as of March 12, 2020, on the return and the receipt.

In addition, the Department is making system modifications to not apply penalties for payments received late, that otherwise would have been timely during office closures.

**Filing a Tax Appeal** is time sensitive but since the Commonwealth offices are closed the Department of Revenue is allowing for additional time to appeal a tax assessment or file a petition for tax refund with the Board of Appeals. A petition will be considered timely filed if it is filed by the later of either 30 days after the reopening of the Board of Appeals offices; or the original appeal deadline. Furthermore:

Please know that if the appeal deadline fell on a date prior to the closure of commonwealth offices (March 16, 2020), the original appeal deadline is still applicable. In other words, in these cases petitions will be considered as timely filed if they are filed by the last day of the appeal period. Additionally, the Board of Appeals will accept any submission of requested documentation as long as it is received within 30 days after the Board of Appeals offices reopen.

There is no notice about late filing or late payment of tax for Pennsylvania returns so it has to be assumed that for now all Pennsylvania returns must be filed and paid by April 15.

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Contact us if you have questions at **215-887-0200**, or contact a member of the Tax Law group:

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