

The IRS Extends the Tax Filing and Paying Deadline for Individuals

The IRS has announced that the federal income tax filing deadline for individuals for the 2020 tax year is extended from April 15, 2021, until Monday, May 17, 2021.

Individual taxpayers can also postpone federal income tax payments for the 2020 tax year due on April 15, 2021, to May 17, 2021, without penalties and interest, regardless of the amount owed. This postponement applies to individual taxpayers, including individuals who pay self-employment tax. Penalties, interest and additions to tax will begin to accrue on any remaining unpaid balances as of May 17, 2021. Individual taxpayers will automatically avoid interest and penalties on the taxes paid by May 17.

Individual taxpayers don't need to file any forms to qualify for this automatic federal tax filing and payment relief. If you need additional time to file beyond the May 17 deadline, you can request a filing extension until October 15 by filing Form 4868. Filing Form 4868 gives you until October 15 to *file* your 2020 tax return but doesn't grant you an extension of time to *pay* taxes due. You should pay the federal income tax due by May 17, 2021, to avoid interest and penalties.

"This continues to be a tough time for many people, and the IRS wants to continue to do everything possible to help taxpayers navigate the unusual circumstances related to the pandemic, while also working on important tax administration responsibilities."

— IRS Commissioner
Chuck Rettig

Estimated Payment Deadline *Not* Extended

This relief doesn't apply to estimated tax payments that are due on April 15, 2021. These payments are still due on that date. Taxes must be paid as taxpayers earn or receive income during the year, either through withholding or estimated tax payments. In general, estimated tax payments are made quarterly to the IRS if your income isn't subject to income tax withholding. This includes self-employment income, interest, dividends, prize winnings, alimony and rental income. Many taxpayers automatically have taxes withheld from their paychecks and sent to the IRS by their employers.

Certain other tax actions were not mentioned in IRS announcements and thus continue to have April 15 deadlines. For example, filing calendar year 2020 trust and estate income tax returns and paying any previously unpaid tax and filing 2020 gift tax returns and paying any gift tax.

Contributions to IRAs and HSAs

In extending the deadline to file Form 1040 series returns to May 17, the IRS is also automatically postponing to the same date the time for individuals to make 2020 contributions to their IRAs, Roth IRAs, Health Savings Accounts (HSAs), Archer Medical Savings Accounts (Archer MSAs), and Coverdell education savings accounts. This postponement also automatically postpones to May 17, 2021, the time for reporting and payment of the 10% additional tax on amounts included in gross income from 2020 distributions from IRAs or workplace-based retirement plans. (Notice 2021-21 postpones the due date for Form 5498 series returns related to these accounts to June 30, 2021.)

State Tax Returns Not Included

Be aware that the federal tax filing deadline postponement to May 17, 2021, only applies to individual *federal* income returns and tax (including tax on self-employment income) payments otherwise due April 15, 2021. It does not apply to state tax payments or deposits or payments of any other type of federal tax. Taxpayers also will need to file income tax returns in 42 states plus the District of Columbia. State filing and payment deadlines vary and aren't always the same as the federal filing deadline. Check with your tax advisor or your state tax authority for more information.

Note: In addition, earlier this year, the IRS announced relief for victims of the February winter storms in Texas, Oklahoma and Louisiana. These states have until June 15, 2021, to file various individual and business tax returns and make tax payments. This extension to May 17 doesn't affect the June deadline.

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