

Important Tax Notice to Associations – as of March 21, 2020

IRS Confirms Extension to File by July 15, 2020

The IRS has issued Notice 2020-18 which superseded Notice 2020-17 that was issued just two days earlier.

The new Notice confirms that the extension for payment of taxes and filing tax returns from April 15 to July 15 applies to all calendar year taxpayers and without any taxable amount limits. Important points are:

1. **Type of taxpayer** – it applies to corporations.
2. **Returns** – it applies to all Federal income tax returns due April 15, 2020. Taxpayers **do not need to file an extension request** under Form 7004.
3. **Taxes** – it applies all Federal income tax payments due April 15, 2020, including 2019 income taxes and 2020 estimated income tax payments.
4. **Interest & Penalties** – if the income taxes postponed under the Notice are not paid by July 15, 2020, then interest and penalties on the taxes will begin to accrue on July 16, 2020.

This Notice applies to Federal income taxes only and not to state taxes. Many states are likely to follow this approach, but specific state guidance is required to make that happen. This gives us the unusual situation where we may have to meet state deadlines that are earlier than federal deadlines. Since many state returns are based on federal calculations of taxable income, it effectively means we must prepare the federal tax returns in order to meet the state deadlines.

State rules vary from federal rules. Porter & Lasiewicz works with associations in 22 states and below is the list of states for our calendar year associations. States listed below that have not yet extended their due dates may do so in the future, so watch for notices from these states.

Arizona – July 15th
California – July 15th
Colorado – July 15th
Georgia – April 15th
Hawaii – April 15th
Idaho – July 15th
Illinois – July 15th
Indiana – July 15th
Kansas – April 15th
Nevada (no state tax)
Oregon – April 15th
Pennsylvania – July 15th
South Carolina – July 15th
Texas – April 15th
Utah – July 15th
Washington (no state tax)

If you have any questions regarding this notice, please email Stephanie Basore at sbasore@pl-cpas.com or Gary Porter at gporter@pl-cpas.com.