

TAX AND WEALTH ADVISOR ALERT: TAXPAYERS MUST FILE BY APRIL 15 BUT CAN DELAY PAYMENTS FOR 90 DAYS

The Treasury Department issued guidance March 18, 2020 saying that taxpayers can delay paying some federal income taxes for 90 days but still must submit their forms to the Internal Revenue Service — or officially request an extension — by April 15.

Individuals can delay payments of up to \$1 million in taxes and corporations can get payments of up to \$10 million deferred until July 15 without interest and penalties, according to a notice published Wednesday. The guidance also stated that this tax relief would apply to 2020 estimated income tax payments owed by certain taxpayers, such as those who are self-employed.

Taxpayers failing to file their federal returns or request an extension by April 15 could get hit with large penalties—but only if they owe tax. The penalty for failing to file a tax return is 5% of the unpaid tax that should be reported, charged monthly for up to five months. If a person files more than 60 days late, the minimum penalty is the lesser of \$435 or 100% of the unpaid tax.

As for state conformity, some states have already issued guidance, while most states, including Wisconsin, have not. Therefore, payments will be due April 15 to the state of Wisconsin unless taxpayers officially request an extension.

If you are interested in learning more about the new tax filing guidance, please contact attorney [Britany E. Morrison](#) at O'Neil Cannon