

# CLIENT ALERTS

## Individual and Business Taxpayer Relief: IRS and State of Michigan Postpone Tax Filing and Payment Deadlines

4.8.2020

### **Federal Tax Due Dates Postponed**

On March 20, 2020, the due date for federal income tax returns and payments, ordinarily due April 15, 2020, was extended to July 15, 2020. On March 27, 2020, the due date for federal gift and generation-skipping transfer tax returns was also extended to July 15, 2020. These extensions apply to Affected Taxpayers.

The notices setting forth such extensions do not include any limitations on the amount of payment that may be postponed. Further, the notices state that interest, penalties, and additions to tax with respect to such postponed federal income tax filings and payments will begin to accrue on July 16, 2020.

### **Eligibility – Affected Taxpayer defined**

The Secretary of the Treasury determined that any person with a federal income tax return or payment due April 15, 2020 is an Affected Taxpayer. The term “person” includes an individual, a trust, estate, partnership, association, company or corporation.

### **Federal Tax Returns and Payments Postponed to July 15, 2020**

- Federal income tax returns and payments due April 15, 2020;
- Federal estimated income tax payments due April 15, 2020 for an Affected Taxpayer’s 2020 taxable year;
- Section 965 transition tax (for deferred foreign income) installment payments associated with a 2019 federal income tax return due April 15, 2020;
- Section 59A Base Erosion and Anti-Abuse Tax (BEAT) payments due April 15, 2020; and
- Federal Gift and Generation-Skipping Transfer Tax Returns due April 15, 2020.

### Related Services

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Federal tax returns, including informational returns, not listed in Notice 2020-18 and Notice 2020-20 are due by the original due date, unless affirmatively extended. The IRS has released a helpful FAQ related to the relief provided in Notice 2020-18.[1]

### **Michigan Tax Due Dates Also Postponed**

On March 27, 2020, by executive order, Governor Whitmer extended to July 2020 certain deadlines for filing and paying state and city income taxes.

The Order places no limitation on the amount of payment that may be postponed, and the Order states that the extension is automatic (i.e., taxpayers need not file the applicable extension form). Further, with regard to interest and penalties, the Order states that any applicable penalties and interest will not begin to accrue until July 16, 2020 for any remaining unpaid balances due on July 15, 2020 (or August 1, 2020 for unpaid balances due July 31, 2020).

### **Eligibility**

The Order applies to all taxpayers required to file a state or city income tax return in April 2020.

### **State Tax Returns and Payments Extended**

- Annual state income tax returns and payments ordinarily due April 15, 2020 (or April 30, 2020 for certain taxpayers) are extended to July 15, 2020 (July 31, 2020);
- Estimated state income taxes ordinarily due April 15, 2020 are due July 15, 2020;
- Annual city income tax returns and payments ordinarily due April 15, 2020 (or April 30, 2020) are extended to July 15, 2020 (July 31, 2020); and
- Estimated city income taxes ordinarily due April 15, 2020 (or April 30, 2020) are extended to July 15, 2020 (July 31, 2020).

## **CORONAVIRUS (COVID-19) RESOURCE PAGE**

Please visit the Butzel Long Coronavirus (COVID-19) Resource Center for the latest information for businesses and individuals on the legal, regulatory, and commercial implications of the COVID-19 virus.

[1] <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>.

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