

## CLIENT ALERT

### IRS Provides Relief to Taxpayers and IRS for Deadlines, "Time Sensitive" Actions

Apr.17.2020

The IRS recently extended additional tax deadlines, and issued guidance on filings affected by the COVID-19 relief legislation.

First, Notice 2020-23 expands and amplifies the IRS's prior COVID-19 related tax deadline relief (see our prior [alert](#)). Prior notices were limited to income tax returns and payments that were due on April 15, 2020. This most recent notice expands the extensions to more types of tax (list provided below), and extends deadlines falling between April 1, 2020 and July 14, 2020, to July 15, 2020.

The notice also gives the IRS an extra 30 days to perform "Time Sensitive IRS Actions" which are due on or after April 6 and before July 15. These actions include assessing any tax, giving or making notice or demand for payment of any tax, bringing suit by the United States, and allowing credit or refund of any tax. Similarly, taxpayers have until July 15, 2020 to perform "Specified Time-Sensitive Actions," which are due on or after April 1. These actions include the time for filing all petitions with the Tax Court, or for review of a decision rendered by the Tax Court, filing a claim for credit or refund of any tax, and bringing suit upon a claim for credit or refund of any tax.

Second, the IRS also recently issued a list of [frequently asked questions and answers](#) (FAQs) for temporary procedures for faxing certain Forms 1139 and 1045 due to COVID-19 and the implementation of two CARES Act provisions. Section 2303 of the CARES Act made changes to the rules regarding net operating loss carrybacks, and Section 2305 allows for acceleration of recovery of any remaining minimum corporate tax. Both of these provisions may result in refunds for past years. The newly issued FAQs provide that, starting on April 17, 2020, and until further notice, the IRS will accept eligible refund claims Forms 1139 and 1405 submitted via fax. In addition, the FAQs state that additional instructions for these forms will be issued to allow taxpayers to claim tentative refunds for years with outstanding Section 965(h) net tax liabilities. The FAQs also list instructions for using 2018 Forms 1139 and 8827 to claim tentative refunds based on changes in the CARES Act.

Finally, the IRS also recently issued [Revenue Procedure 2020-23](#), which permits partnerships to file amended returns and recognize the CARES Act benefits sooner than if they had to file administrative adjustment requests.

The recent CARES Act provides over \$2 trillion worth of economic relief to taxpayers, and includes new tax credits and changes to the tax code. However, careful consideration should be given to the way in which these changes interact with other code provisions, like those in the TCJA. Taxpayers should use the extra time provided by Notice 2020-23 and other extensions to determine if any provisions can provide relief during the COVID-19 emergency and plan how best to take advantage of these provisions, some of which can be utilized in the 2019 tax year. Finally, taxpayers should be careful to abide by any deadlines that have not extended, or to seek extensions for actions that need to be taken after July 15th for which compliance may be hampered by the crisis.

The payment and filing obligations specified in Notice 2020-23 include:

- Individual income tax payments and return filings on Form 1040, U.S. Individual Income Tax Return, 1040-SR, U.S. Tax Return for Seniors, 1040-NR, U.S. Nonresident Alien Income Tax Return, 1040-NR-EZ, U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents, 1040-PR, Self-Employment Tax Return - Puerto Rico, and 1040-SS, U.S. Self-Employment Tax Return 4 (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)
- Calendar year or fiscal year corporate income tax payments and return filings on Form 1120, U.S. Corporation Income Tax Return, 1120-C, U.S. Income Tax Return for Cooperative Associations, 1120-F, U.S. Income Tax Return of a Foreign Corporation, 1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation, 1120-H, U.S. Income Tax Return for Homeowners Associations, 1120-L, U.S. Life Insurance Company Income Tax Return, 1120-ND, Return for Nuclear Decommissioning Funds and Certain Related Persons, 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return, 1120-POL, U.S. Income Tax Return for Certain Political Organizations, 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts, 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies, 1120-S, U.S. Income Tax Return for an S Corporation, and 1120-SF, U.S. Income Tax Return for Settlement Funds (Under Section 468B)
- Calendar year or fiscal year partnership return filings on Form 1065, U.S. Return of Partnership Income, and Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return
- Estate and trust income tax payments and return filings on Form 1041, U.S. Income Tax Return for Estates and Trusts, 1041-N, U.S. Income Tax Return for Electing Alaska Native Settlement Trusts, and 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts
- Estate and generation-skipping transfer tax payments and return filings on Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, 706-NA, United States Estate (and Generation-Skipping Transfer) Tax Return, 706-A, United States Additional Estate Tax Return, 706-QDT, U.S. Estate Tax Return for Qualified Domestic Trusts, 706-GS(T), Generation-Skipping Transfer Tax Return for Terminations, 706-GS(D), Generation-Skipping Transfer Tax Return for Distributions, and 706-GS(D-1), Notification of Distribution from a Generation-Skipping Trust (including the due date for providing such form to a beneficiary)
- Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, filed pursuant to Revenue Procedure 2017-34
- Form 8971, Information Regarding Beneficiaries Acquiring Property from a Decedent and any supplemental Form 8971, including all requirements contained in section 6035(a) of the Code
- Gift and generation-skipping transfer tax payments and return filings on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return that are due on the date an estate is required to file Form 706 or Form 706-NA
- Estate tax payments of principal or interest due as a result of an election made under sections 6166, 6161, or 6163 and annual recertification requirements under section 6166 of the Code
- Exempt organization business income tax and other payments and return filings on Form 990-T, Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e) of the Code)
- Excise tax payments on investment income and return filings on Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, and excise tax payments and return filings on Form 4720, Return of Certain Excise Taxes under Chapters 41 and 42 of the Internal Revenue Code
- Quarterly estimated income tax payments calculated on or submitted with Form 990-W, Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations, 1040-ES, Estimated Tax for Individuals, 1040-ES (NR), U.S. Estimated Tax for Nonresident Alien Individuals, 1040-ES (PR), Estimated Federal Tax on Self Employment Income and on

Household Employees (Residents of Puerto Rico), 1041-ES, Estimated Income Tax for Estates and Trusts, and 1120-W,  
Estimated Tax for Corporations

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