



## Federal tax filing date extended

March 31, 2020

*Updated on March 31, 2020*

On March 20, 2020, our team provided a [summary](#) regarding the extension of the tax payment deadline to July 15, 2020. Shortly after this information update, Treasury Secretary Steven Mnuchin announced that, in addition to the payment deadline extension, the April 15 filing deadline would also be extended to July 15, 2020, giving more time to both businesses and individuals that may need the additional 90 days amidst the daily changes of the COVID-19 crisis.

In response to the announcement, the IRS issued new [formal guidance](#). This formal guidance supersedes [Notice 2020-17](#). In light of the filing extension, “the period beginning on April 15, 2020, and ending on July 15, 2020, will be disregarded in the calculation of any interest, penalty or addition to tax for failure to file the Federal income tax returns or to pay the Federal income taxes postponed by this notice.” Interest and penalties will begin to accrue on July 16, 2020. For those taxpayers who are uncertain about whether they will be able to pay and/or file by this new deadline, relief may be available for interest and penalties incurred. Refer to our earlier [summary](#) addressing reasonable cause relief under Internal Revenue Code Section 6651 for a failure to pay tax and the waiver to a penalty under Internal Revenue Code Section 6654.

On the other hand, some worry about the impact the extension could have. Ohio, like many states, has a fiscal year which begins July 1 (compared to the federal government whose year begins on October 1). Legislators at the General Assembly debate the state’s operating budget in the first half of the year and sign it into law no later than July 1. The 2020-21 operating budget was already signed into law in 2019. However, if amounts used to project and set the budget for the upcoming 2021-22 fiscal year may

still be coming into the state after the start of the new fiscal year, legislators may have a more difficult time setting the budget, since it may not be clear how much revenue the state has at the close of the 2019-20 fiscal year.

*The information provided in this update and our earlier summary is intended for informational purposes only and is not advice. Taxpayers should consult with their tax advisors regarding the possibility of seeking relief for failure to pay or file.*

# Authors

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