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IRS Pushes Back Tax Deadline

Individuals who want to take advantage of the three-month delay can hold off on filing up until July 15, 2020, without risking the interest or penalties that normally apply.

In response to the stress that the coronavirus pandemic is putting on the economy and the general public, the Internal Revenue Service (IRS) is giving Americans an extra 90 days to file their taxes.

In this historic move, the federal government pushed the April 15, 2020, tax deadline out three months until July 15, 2020. The Tax Day deadline extension follows an initial announcement from the IRS on plans to move the payment deadline, but not the filing deadline, to July 15.

The ultimate ruling is a fortunate one for American taxpayers. Individuals who want to take advantage of the three-month delay can hold off on filing up until July 15, 2020 without risking the interest or penalties that normally apply.

Key stipulations of the April 15, 2020, Tax Day deadline extension include:

- allowing individuals with a 2019 tax balance of \$1 million or less three extra months to file their taxes;
- allowing many individual filers who pay quarterly estimated taxes to delay filing until July 15; and
- allowing C corporations that owe \$10 million or less by April 15 to benefit from the three-month extension to file.

It's important to keep in mind, however, that the interest and penalty relief for the three-month extension doesn't apply to all penalties. If someone underwithheld for 2019, that person will still likely owe a penalty for underwithholding. Similarly, the extension does not apply to state, gift, or estate taxes, and business owners who owe over \$10 million and individuals who owe over \$1 million still need to file taxes by April 15.

While the IRS does not anticipate any tax refund delays at this time, Treasury Secretary Steven Mnuchin has urged people getting refunds to file electronically sooner rather than later in order to get their refunds faster.

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