

# What We Know

## ARTICLES & INSIGHTS

### ABOUT THE AUTHOR

## IRS Announces 90-Day Deferral of Tax Payment Deadline

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From social distancing to cancellation of large gatherings to prohibitions on travel, the COVID-19 pandemic has caused unprecedented disruptions in daily life. Governments are taking steps not only to “flatten the curve” and mitigate the public health effects of the outbreak but also provide financial relief to mitigate its economic effects.

Today, as part of its response to the COVID-19 pandemic, the U.S. Treasury Department announced a 90-day delay of the traditional April 15<sup>th</sup> income tax payment deadline to July 15<sup>th</sup>, 2020. Treasury Secretary Steven Mnuchin stated that individual taxpayers will be given the additional 90 days to pay up to \$1 million in income taxes without interest or penalties. This move is intended to cover many pass-through entities and small businesses, which are more likely to owe federal income taxes on the April 15<sup>th</sup> deadline. Corporate taxpayers will be allowed the same 90-day extension to pay up to \$10 million in taxes owed without interest or penalties.

Several states, including California and Massachusetts, have already announced similar deferrals of state income tax filing and payment deadlines or indicated that they will follow relief given at the federal level. North Carolina has not yet made such an announcement.

We at Smith Debnam are monitoring this situation closely as part of our comprehensive response to the COVID-19 pandemic. If you have any questions, please contact us.

### CONTACT US

919.250.2000  
mail@smithdebnamlaw.com

### RALEIGH OFFICE

The Landmark Center  
4601 Six Forks Road, Suite 400  
Raleigh, NC 27609

Phone: 919.250.2000  
Fax: 919.250.2100

### CHARLESTON OFFICE

171 Church Street  
Suite 120C  
Charleston, SC 29401

Phone: 843.714.2530  
Fax: 843.714.2541

