

April 2021

Due to the unusual conditions related to the coronavirus pandemic, the due date for individuals to file their 2020 federal income tax returns and make tax payments has been postponed by the IRS from Thursday, April 15, 2021 to Monday, May 17, 2021. No interest, penalties, or additions to tax will be incurred by taxpayers during this approximately one-month relief period for any return or payment postponed under this provision. The relief applies automatically to all taxpayers and no additional forms need to be filed to qualify for the relief. The new deadline applies to federal income tax payments for taxable year 2020, including payments of tax on self-employment income. It does not apply to estimated tax payments for 2021 that are due on April 15, 2021.

Under this relief provision, no extension is provided for the payment or deposit of any other type of federal tax, or for the filing of any federal information return. The IRS urges taxpayers to check with the state tax agencies regarding state tax filing and payment deadlines.

If you are not able to file your federal income tax return by the May due date, you can file for an extension by the May due date using IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return. Filing this extension gives you an additional five months (until October 15, 2021) to file your federal income tax return. You can also file for an automatic five-month extension electronically (see the instructions for Form 4868). There may be penalties for failing to file or for filing late.

Filing for an extension using Form 4868 does not provide any additional time to pay your tax. When you file for an extension, you have to estimate the amount of tax you will owe and pay this amount by the May filing due date. If you don't pay the amount you have estimated, you may owe interest and penalties. In fact, if the IRS believes that your estimate was not reasonable, it may void your extension.

Contributions to an individual retirement account (IRA) for 2020 can be made up to the due date (without regard to extensions) for filing the 2020 federal income tax return. The postponement of the 2020 tax filing due date by the IRS also generally extends the time to make IRA contributions for 2020 to May 17, 2021.

The IRS is encouraging taxpayers seeking a tax refund to file their tax return as soon as possible, and to file electronically with direct deposit. The IRS issues most tax refunds within 21 days of the IRS receiving a tax return. The IRS states it has experienced delays in processing paper tax returns due to limited staffing during the pandemic.

Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances. To the extent this material concerns tax matters, it is not intended or written to be used by a taxpayer for purposes of avoiding penalties that may be imposed by law.