

## IRS Extends Tax Reporting, Payment and Compliance Deadlines for Additional Taxpayers and Eases Burdens for Like-Kind Exchanges and Qualified Opportunity Zone Fund Investments

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As we reported in our previous client alert, [“Federal and State Tax Actions in Response to COVID-19,”](#) the IRS has extended until July 15, 2020, the deadline for filing income, gift and GST tax and information returns, and making associated payments of tax, for returns and payments that are due on April 15, 2020. On April 9, 2020, the IRS determined that any individual, partnership, corporation, trust, estate and other taxpayer with a federal tax return or other filing obligation, or a federal tax payment obligation, which is due (originally or on a valid extension) between April 1, 2020, and July 14, 2020 (other than April 15, 2020), also has been affected by COVID-19.

Consequently, the IRS has extended until July 15, 2020, the filing and payment deadline for all returns and payments due between April 1, 2020, and July 14, 2020. In addition, the IRS has extended the deadline until July 15, 2020, for “Specified Time-Sensitive Actions” with due dates between April 1, and July 14, 2020, and thus has provided limited relief for taxpayers engaging in like-kind exchanges or investing in qualified opportunity zone funds.

While many taxpayers were eligible for relief under the prior IRS guidance, the IRS has now also extended until July 15, 2020, the original filing and payment deadline for, among other taxpayers, corporations, tax-exempt entities, trusts and estates, partnerships and individuals living abroad who had original filing and payment deadlines between April 1, 2020, and July 14, 2020 (other than April 15, 2020). While calendar year-end C corporations and trusts were entitled to relief under the original IRS guidance because their returns were due on April 15, 2020, certain fiscal year-end entities with returns due on dates other than April 15, 2020, are now eligible as well. Similarly, while calendar year-end partnerships and S corporations had a March 16, 2020, tax return due date (which has not been changed), certain fiscal year-end entities have become eligible for relief. The extension is automatic, and, unless an additional extension is required beyond July 15, 2020, taxpayers do not need to file an application or otherwise request an extension in order to avoid interest or penalties.

The IRS has also extended the June 15, 2020, deadline for the second federal 2020 estimated tax payment until July 15, 2020 (and, thus, the first and second 2020 federal estimated tax payments are both due on July 15, 2020). Illinois taxpayers should be aware that the deadlines for the first and second 2020 state estimated tax payments have not been changed, although Illinois has released guidance permitting taxpayers to use their actual 2018 or 2019 tax liability to determine the amount of their 2020 estimated payments.

Specified Time-Sensitive Actions include filing petitions with the U.S. Tax Court and petitions to review decisions of the U.S. Tax Court, claims for credits or refunds of tax and certain administrative actions related to like-kind exchanges and qualified opportunity zone funds. Notably, taxpayers engaging in like-kind exchanges whose 45-day period for identifying replacement property, or whose 180-day period for acquiring replacement property, expires between April 1, 2020, and July 14, 2020, now have until July 15, 2020. Similarly, taxpayers whose 180-day period for investing capital gains in a qualified opportunity zone fund ends between April 1, 2020, and July 14, 2020, have received an extension.

Finally, the IRS has notified taxpayers that it is unable to process paper-filed returns until its processing centers reopen. Therefore, the IRS has requested that all taxpayers file their returns electronically if possible. For taxpayers who have already filed paper returns, the IRS has requested that a second “electronic” return not be filed, and the IRS will process the return as soon as possible.

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If you have any questions regarding taxpayer relief in light of COVID-19 or any other tax-related matter, please do not hesitate to contact [Scott Bakal](#), [John Biek](#), [Jeff Shamberg](#), [Eric McLimore](#) or your [Neal Gerber Eisenberg](#) attorney.

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