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Coronavirus: Recent Tax-Related Developments

Tax Talks Blog on **March 12, 2020**

Possible Tax Filing and Payment Extension. At a House subcommittee meeting yesterday, March 11, 2020, Treasury Secretary Steven Mnuchin announced that the Treasury Department is considering extending the deadline for certain taxpayers and small businesses to pay taxes until December 31, 2020. No interest or penalties would be imposed on taxpayers filing by the extended deadline. Mnuchin said that the extension would amount to more than $200 billion of liquidity.

Sections 7508A of the Internal Revenue Code and Treasury regulations section 301.7508A-1 grant the Treasury Department and the IRS the authority to grant filing and payment extensions for income taxes and other taxes administered by the IRS for up to one year to any taxpayer determined to be affected by a "federally declared disaster". A federally declared disaster is any disaster determined by the President to warrant assistance by the federal government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. This Act gives the President broad discretion to declare an emergency for which federal assistance is necessary.

Democratic members of the House Ways and Means Committee and several Democratic Senators had requested the extension.

Resistance to The Suggestion for a Payroll Tax Holiday. Treasury Secretary Mnuchin also renewed calls on Congress for a payroll tax holiday. Both Democratic and Republican members of Congress have rebuffed these calls.

Proskauer's cross-disciplinary, cross-jurisdictional Coronavirus Response Team is focused on supporting and addressing client concerns. Visit our **Coronavirus Resource Center** for guidance on risk management measures, practical steps businesses can take and resources to help manage ongoing operations.

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