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## IRS Delays Tax Day to July 15, Still Monitors Crypto



Like other financial markets, crypto investors have seen wild swings and devaluations in recent weeks as Coronavirus, also known as COVID-19, issues have hit many people all over the world. With safety concerns paramount, it can be easy to forget for a time about more pedestrian issues like taxes. But taxes won't go away entirely. The United States [Internal Revenue Service's](#) main tax filing deadline remains as April 15, but there is a 90-day reprieve on payments to the IRS until July 15, according to IRS [Notice 2020-17](#).

Does this mean you don't have to **file** by April 15? For much of this week, taxpayers and their tax preparers were gearing up for a situation where tax **returns** were due on April 15, but payment on those returns wouldn't be due until July 15. The extension of the filing deadline to July 15 to match the extended payment deadline has happened much

more recently. Indeed, presently, the “announcement” of the filing extension consists of two tweets made by Secretary of the U.S. Department of the Treasury Steven Mnuchin.

The first simply [provides](#) that the Treasury Department is “moving Tax Day from April 15 to July 15. All taxpayers and businesses will have this additional time to file and make payments without interest or penalties.” The second tweet reminds taxpayers who expect to receive tax refunds that they can always file before the extended filing deadline in order to get their tax refunds sooner. Of course, we should all keep our eyes open for a more formal IRS announcement, which may contain more helpful details about the filing extension.

In particular, it is not clear at this time how much of the earlier announced payment extension will be affected or superseded by the more recent filing extension. Before the filing deadline was also extended, the IRS said that the payment relief is available for income tax payments due April 15, 2020. This includes federal estimated tax payments due April 15, 2020.

Crypto investors should still gather records for 2019. What’s more, those who need to fix their past reporting should not forget about that either. With all the IRS enforcement efforts about crypto, filing amended tax returns before the IRS gets to you is better than waiting for an audit or worse. When we all come out the other side of this, we should remember that the IRS still cares a lot about crypto taxes.

**Noncorporate** taxpayers can defer up to \$1,000,000 of tax liability until July 15, and that includes both 2019 and the first-quarter 2020 tax payments combined.

**For individuals**, the amount of deferred tax payment is \$1,000,000 regardless of filing status, meaning it is the same for a single individual and for married individuals filing a joint return. However, the notice did not address whether married individuals filing separate tax returns would each receive a \$1,000,000 deferment benefit. The deferment includes income tax and also applies to payments of tax on self-employment tax too.

**Corporations** get a benefit too. They can defer up to \$10,000,000 of tax liability until July 15, this includes both 2019 and first quarter 2020 tax combined.

Finally, don’t forget about **state taxes**. If you file state income tax returns, you need to consider their rules too, since they are not covered by the IRS guidance. But many states are providing their own piggyback relief. In high-tax California, the state’s Franchise Tax Board [announced](#) that both filing and payment deadlines have been extended to July 15 for 2019 tax returns. That extension applies to first and second quarters estimated tax payments too. The board has also [posted](#) a chart showing all of the California details.

Does all of this more generally mean a kinder and gentler IRS or state tax administrators? It is hard to tell, but you should not count on it. Thus, if you have

installment payments due, or owe the IRS or a state taxing authority a response to a tax notice by a certain date, it would be best to try to meet it. There might conceivably be some latitude given because of the extraordinary circumstances people are now facing. But it is best not to count on it.

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