

United States: Delay of tax filings and payments is welcome relief for mobile workers, but states may not align

April 15, 2020

In brief

The IRS has expanded favorable guidance regarding the delay of filing US federal individual income tax and related returns, as well as certain tax payments – welcome news for mobile workers who may be present in an unexpected location due to the health crisis. To assist mobility professionals, the table presented in this *Insight* is intended to provide a short-hand reference tool, coupled with some practical tips to consider.

While the IRS provided clear guidance as to the postponement of upcoming US federal income tax obligations for individuals, not all US states have followed suit. Some states or jurisdictions have not postponed tax return or payment due dates (examples include Virginia, Mississippi, Idaho, and New Hampshire), while others have not extended the due date of estimated payments (examples include the District of Columbia, Virginia, and Minnesota). Other state changes also may occur. Mobility professionals may track these state deadlines by using PwC's select state and local income tax relief [matrix](#).

In detail

US individual federal tax form	Normal deadline to file form	Extended deadline to file form
<p>Income tax returns 1040 (U.S. Individual Income Tax Return) 1040-SR (U.S. Tax Return for Seniors) 1040-NR (U.S. Nonresident Alien Income Tax Return) 1040-NR-EZ (U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents)</p> <ul style="list-style-type: none"> This includes all schedules, returns, and other forms (including informational returns) that are filed as attachments or are required to be filed by the due date of the tax return. This includes, for example, Forms 3520, 5471, 8621, 8858, 8865, and 8938. 	<p>April 15, 2020</p>	<p>July 15, 2020</p> <ul style="list-style-type: none"> Relief is automatic – no extensions needed If a Form 4868 extension was already filed, relief is still granted Form 4868 (see below) can only extend an income tax return up until October 15, 2020 (no later) The automatic two-month extension provided to US citizens or residents living outside the US/Puerto Rico may not be applied to extend beyond July 15 Applies to dual-status returns (part year 1040, part year 1040-NR).
<p>1040-NR (U.S. Nonresident Alien Income Tax Return) 1040-NR-EZ (U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents)</p>	<p>June 15, 2020</p>	<p>July 15, 2020 Category applies to nonresident aliens without compensation subject to wage withholding.</p>
<p>Estimated tax payment form 1040-ES (Estimated Tax for Individuals) 1040-ES (NR) (U.S. Estimated Tax for Nonresident Alien Individuals)</p>	<p>April 15, 2020 June 15, 2020</p>	<p>July 15, 2020</p>
<p>Extension forms 4868 (Application for Automatic Extension of Time to File U.S. Individual Income Tax Return) to claim extension beyond July 15, 2020</p>	<p>April 15, 2020</p>	<p>July 15, 2020 An extension using this form will only extend the time to file an individual income tax return until October 15, 2020.</p>
<p>FBAR (Report of Foreign Bank and Financial Accounts)</p>	<p>April 15, 2020, but automatic extension to October 15, 2020 regardless of whether federal income tax extension is obtained</p>	<p>No change.</p>

US individual federal tax payment	Normal deadline to make payment	Extended deadline to make payment
2019 income tax return payments	April 15, 2020 or June 15, 2020	July 15, 2020 <ul style="list-style-type: none"> • Even if income tax return is delayed until October 15, 2020, payments must be made by July 15, 2020 to avoid interest/penalties (which will begin accruing on July 16). • If a tax return is filed earlier (e.g., so as to receive a recovery rebate payment based on 2019), payment is still not due until July 15, 2020.
2020 Quarter 1 estimated payments Notice 2020-18 removed the \$1M threshold normally applicable to the combined extension and Quarter 1 payment amounts.	April 15, 2020	July 15, 2020 The IRS has provided guidance on the electronic payment of taxes, including the delay of those scheduled to be paid on April 15, 2020 that are now due July 15, 2020.
2020 Quarter 2 estimated payments	June 15, 2020	July 15, 2020
Interest, penalties, or addition to tax for 2019 returns and/or 2020 Q1 and Q2 for failure to file the above forms or pay any tax amounts regarding the above forms	Variable	Variable , but the period of April 1, 2020 through July 15, 2020 will be disregarded when calculating these amounts.
2019 Form 2210 penalty	Ends 4/15/2020	No change.

* The above table is not exhaustive – it does not show all delays provided by the IRS. Other relief has been granted, for example, with respect to estate and generation-skipping transfer tax payments and returns filings, as well as to partnerships and corporations.

** Please also see PwC’s [Tax Insight](#) regarding the newest IRS guidance for filing and payment due dates, as well as IRS [Notice 2020-23](#).

Earlier filing/application for economic impact payments

Some mobile workers may be eligible for economic impact payments provided by the US government, depending on their 2018 and 2019 tax year data. Some of these individuals may wish to file their US federal income tax return early to facilitate receipt of an economic impact payment; for example, some foreign nationals may be filing Forms 1040 for the first time in 2019. (For more information about 2020 recovery rebates and credits, please see our previously released [Global Mobility Insight](#).) Certain compliance issues are arising:

- Will this early filing prompt tax payment demands from the IRS? The answer should be ‘no’ – it is not expected that the IRS will send any notices until payment is late. Taxpayers may file now but do not need to pay until July 15, 2020.
- Can an employee provide direct deposit information if not included on his/her latest return and if not ready to file his/her 2019 return yet? Yes – a ‘[Get My Payment](#)’ application will be available shortly. This same application can be used to check payment status and confirm payment type (either direct deposit or check). Mailing address changes also can be updated.

- The IRS allows nonfilers for 2018 and 2019 to request advance payment through an online application. Does this mean that an individual who was a nonresident alien for 2018 and 2019 and will be filing Form 1040 for the first time in 2020 can apply for the recovery rebate payment? The answer is 'no'— the application for nonfilers only applies to those who were US citizens or permanent residents for 2019 *and* who did not have a requirement to file a return. See [Freefilefillableforms website](#).

Other welcome individual-related tax changes

The CARES Act enacted various other favorable federal tax changes during this health crisis that mobility professionals should consider, such as the following:

- certain deferrals until 2021 and 2022 have been provided for the employer portion of OASDI (the social security portion of FICA) and SE tax for the remainder of 2020
- individuals are able to claim an above-the-line deduction for charitable contributions up to \$300 for the 2020 tax year (the 60 percent gross income limitation has been suspended)
- certain relief has been provided for qualified plan withdrawals and IRA contributions.

Please see PwC's [Tax Insight](#) for more details.

The takeaway

Although the delay of various deadlines to file US federal income tax returns and make related payments is welcome news, mobility professionals also must consider state income tax obligations. Depending on the situation, state income tax returns and payments may be due earlier than the federal, prompting the need for analysis and calculations – both federal and state – earlier than expected. Mobility professionals also should consider how the delay in filing could affect their employees' receipt of economic impact payments, or other related questions.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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