

Important Tax News + Coronavirus Legislation Passes



We wanted to share this information with you quickly as it impacts all of us. Please reach out to your tax advisor with any questions. You can also find this information on our website by clicking [here](#). We will continue to post Jackson Thornton updates and news that affects our clients on this page.

April 15 Tax Payments Deferred for 90 Days for Most Americans

The Internal Revenue Service and the Treasury Department released guidance Wednesday on how individual taxpayers can defer payments of up to \$1 million until July 15 in response to President Trump's emergency declaration granting relief amid the coronavirus pandemic. C Corporations and consolidated groups can postpone up to \$10 million in tax payments under this relief.

The guidance specifies that individuals and corporations can defer payments for 2019 taxes, including self-employment taxes, that are due April 15 until July 15. It states that the \$1 million limit applies both to single filers and to married couples filing joint returns. The extended payment date also includes payment of quarterly federal estimated income tax payments due April 15 that pertain to the 2020 tax year.

Additionally, the guidance states that the deadline to file tax returns has not been extended and remains April 15. As is the case every year, people can request the IRS to grant them six-month extensions to file their returns. It specifically notes that the current relief does not change any other payment or filing deadlines.

Families First Emergency Coronavirus Response Act Passes

The Senate passed the Families First Coronavirus Response Act Wednesday and President Trump signed it shortly thereafter. Here is a synopsis of what it contains:

- Offer two weeks of paid sick and family leave to many American workers who are in quarantine, helping a family member with COVID-19 or who have children whose schools have closed. Workers will get 100% of their normal salary.
- A total of 12 weeks of paid leave to many of those who have children whose schools have closed. Workers would get about 67% of their normal salary for this period.
- Bolsters unemployment insurance
- Free testing for the coronavirus for those who need it
- Boosts food assistance (SNAP) and federal funding for Medicaid

Alabama Dept. of Revenue Extends Relief to Small Businesses

Effective immediately, the Alabama Department of Revenue (ADOR) is extending relief to small retail businesses that are unable to timely pay their February, March, and April sales tax liabilities.

Small businesses whose monthly retail sales during the previous calendar year averaged \$62,500 or less may file their monthly sales tax returns for the February, March, and April 2020 reporting periods without paying the state sales tax reported as due. Late payment penalties will be waived for these taxpayers through June 1, 2020.

Similar sales tax relief may be available on a case-by-case basis to other businesses significantly impacted by the coronavirus (COVID-19) and the preventative measures being taken to limit its spread in Alabama.