



Canadian tax alert

New measures to support U.S. taxpayers

March 21, 2020

Over the past few days, the U.S. federal government, the Department of the Treasury, and the state governments, have introduced measures to support U.S. taxpayers. We anticipate that more measures to support businesses and individuals are to come. Our Tax and Legal team is closely monitoring all U.S. government announcements, and we will provide regular updates on any U.S. government support available; we will remain available to support you during this unprecedented and uncertain time.

In this update, we highlight the recent tax related announcements from the federal and state governments.

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Federal level

Families First Coronavirus Response Act

Highlights:

- Payroll tax credit for qualified paid coronavirus-related sick leave for eligible employer.
- Payroll tax credit for qualified paid coronavirus-related family leave for eligible employer.

U.S. Treasury Secretary proposal related to U.S. federal income tax payments

Highlights:

- 90 additional days to pay taxes.
- Extension applications are automatic and do not need to be filed.
- The proposal also includes estimated tax payments that is due April 15.

IRS Notice 2020-18 on delay of filings and payment until 7/15 (3/20/20)

Highlights:

- Affected taxpayers federal income tax returns and federal income tax payments will be extended to July 15. There is no limitation on the amount of payment that may be postponed.
- No extension is provided for payment of any other type of federal tax or for the filing of any Federal information return.

State level

At present, the following states have offered specific guidance:

California

- Deadline for state tax filing and payment by 60 days for individuals and businesses. This relief includes moving the various tax filing and payment deadlines that occur on March 15, 2020, through June 15, 2020, to July 15, 2020.

Connecticut

- Business returns and associated tax payments are extended until June 15, 2020.

South Carolina

- Tax returns and payments due April 1 – June 1 will now be due June 1, 2020. Penalty and interest will not be charged if payment is made by June 1. This includes South Carolina Individual Income Taxes, Corporate Income Taxes, Sales and Use Tax, Admissions Tax, and other taxes filed and paid with the SCDOR. The SCDOR is automatically applying this tax relief for all applicable returns and payments; you don't need to take any additional action.

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Tennessee

- Department of Revenue has extended the franchise, excise tax and income tax filing and payment deadlines to July 15, 2020.

Washington

- A business may request a filing due date extension from the Department prior to the due date of the return, and, if granted, the business would be allowed to delay reporting and paying its tax liability. If a business needs an extension of more than 30 days, the law requires the Department to collect a deposit from the business.
- The DOR may also waive penalties under limited circumstances if a business is late in paying its tax obligation. The law also grants the Department authority to provide a one-time, 24 month, late payment penalty waiver if the business has not owed a late payment penalty during the previous 24 months WAC 458-20-228 (9). Contact DOR at 360.705.6705.

The following states have commented that they will likely follow guidance by the IRS:

- AL, AZ, CO, GA, IN, MI, MD, MA, NJ, NM, NYS, OH, and UT

We recommend reaching out to your local office to discuss next steps and/or any concerns you may have. We are here to assist through this process as we anticipate guidance will be announced and changing often.

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