

March 26, 2020

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury

The Honorable Charles P. Rettig  
Commissioner of Internal Revenue  
Internal Revenue Service

RE: Request for additional federal tax filing, payment and collection relief amid COVID-19 pandemic

Dear Secretary Mnuchin and Commissioner Rettig:

On behalf of the 28,000 members of the Texas Society of Certified Public Accountants (TXCPA), we are writing to request the postponement of filing and payment deadlines for all returns and payments not covered in IRS Notice 2020-18. As mentioned in TXCPA's letter to you dated March 23, 2020,<sup>1</sup> we appreciate the postponement of deadlines associated with federal income tax payments, federal income tax returns, federal estimated income tax payments and certain compliance programs in light of the unprecedented circumstances created by COVID-19. However, we are concerned that other returns and payments that will or may become due in the interim are not similarly extended. We also believe similar relief should be granted for other deadlines and payments that are routinely granted for tropical storms, hurricanes and natural disasters. We seek clarification on several important matters as discussed below.

**All Returns and Payments Due On or Before July 15, 2020 Should Be Extended**

We respectfully request that all returns and payments due before July 15, 2020, be postponed until July 15. Section 7508A of the Internal Revenue Code gives the Secretary of the Treasury broad authority to postpone various returns and payments, including income, estate, gift, employment or excise tax returns or installments. It also permits the Secretary to postpone the filing of a petition with the U.S. Tax Court or for review of a decision rendered by the Tax Court and the filing of a claim for credit or refund of any tax. Section 7508A extends this authority to any other act required or permitted under the internal revenue laws.

There are returns that will or may become due in the interim which, unless extended, may put taxpayers and tax practitioners in a position of putting their safety at risk or violating state and local laws and ordinances prohibiting them from accessing their office and places of business in order to meet a federal tax filing deadline. For example, gift tax returns (IRS Forms 709) are generally due by April 15 unless extended. Estate tax returns (IRS Forms 706) are due nine months after the date of a decedent's death, or later if extended, and could therefore become due in the midst of the coronavirus pandemic. Similarly, IRS Form 941 returns will become due at the end of April along with associated payments for many taxpayers.

IRS Form 990 and Form 990PF for tax exempt organizations are also due in the interim. In addition, the due date of some returns (e.g., IRS Form 990) are determined by reference to the taxpayer's accounting period, which could very well cause additional returns to become due before July 15.

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<sup>1</sup> [https://www.tscpa.org/docs/default-source/communications/2020/request-for-more-federal-tax-filing-and-payment-relief.pdf?sfvrsn=3a92deb1\\_2](https://www.tscpa.org/docs/default-source/communications/2020/request-for-more-federal-tax-filing-and-payment-relief.pdf?sfvrsn=3a92deb1_2)

Further complicating matters, some of these returns (particularly estate and gift tax returns) must be filed on paper. This "paper" is at the offices of many taxpayers and tax professionals, which they may not have access to.

In addition, Notice 2020-18 extends the due date of the estimated tax payments due on April 15, 2020, to July 15, 2020, but does not address the second quarter estimated income tax payments that will become due on June 15, 2020. It seems unusual that the second quarter estimated tax payment will become due before the first quarter payment.

These are but a few examples of returns and payments that will or may become due prior to July 15, which are not addressed in Notice 2020-18. There are countless others that may similarly become due. A comprehensive analysis of the due dates for every single return type and the scenarios under which they may become due prior to July 15 is simply not practical. Rather than putting taxpayers and tax practitioners in the untenable position of making this determination while in the midst of a pandemic, and having to file any returns that may become due in the interim, we think the better approach is to simply extend the due date of all returns and associated payments until July 15, 2020. This should apply to both the original and extended filing deadlines.

#### **The Due Date for Refund Claims Should Be Extended**

We similarly believe that the due date for any refund claims should be extended to July 15. Taxpayers may not be in a position to gather information and documents necessary to file a refund claim in the midst of the pandemic. Section 7508A authorizes the Secretary to extend the due date for refund claims for any tax and we believe it is appropriate to do so in this instance as granted in previous natural disasters.

#### **The Due Date for Tax Court Petitions Should be Extended**

We recommend that the deadline for filing petitions in the U.S. Tax Court for taxpayers who have received statutory notices of deficiency, notices of final partnership adjustments or similar notices be extended to July 15. Taxpayers and tax professionals who have been locked out of their offices may not be in a position to meet a tax court filing deadline. Similarly, deadlines for filing in U.S. district courts or the Court of Federal Claims should be extended. Taxpayers may even be unable to find professionals to assist them in filing a petition or complaint because of the pandemic. We therefore believe it appropriate to extend these deadlines, as well.

#### **Penalty Relief Should Be Provided for 2019 Estimated Tax Underpayment Penalties**

The estimated tax underpayment penalties that are already accruing from 2019 should be waived. Notice 2020-18 addresses federal estimated income tax payments due on April 15, 2020, but does not address penalties for the underpayment of estimated tax payments associated with 2019. Because taxpayers will not be in a position to determine what those are until the 2019 returns are filed, penalty relief should also be provided for the 2019 estimated underpayment penalties.

**The IRS Should Suspend Automated Collection Actions and Provide Guidance on How to Amend Existing Installment Agreements**

With the IRS CAF Unit working at half capacity and the IRS Practitioners Priority Service and other call centers severely reduced in staffing, taxpayers and practitioners need guidance on how to request necessary modifications to installment agreements during this crisis to allow them to meet their basic living expenses. The IRS has temporarily closed all Taxpayer Assistance Centers and discontinued face-to-face service throughout the country until further notice, and e-services is unable to accommodate these requests. Due to this unprecedented national emergency, there should be an immediate suspension of Intent to Terminate Installment Agreements or other similar actions such as default on other collection agreements, including offers in compromise, with procedures to consider favorably the intervening circumstances when actions are recommenced. We appreciate the acts taken in issuing the IR-2020-59 People First Initiative and encourage the IRS to continue to allow delays and modifications to installment agreements for taxpayers experiencing hardships.

We also request that the automated collection system be paused to allow taxpayers the opportunity to resolve liabilities through collection alternatives without receiving automated levy and lien notices, which could have disastrous impact on those taxpayers already suffering. Moreover, since the IRS call centers are unavailable to assist with extensions of collection holds, we request that all accounts currently under a collection hold be extended until the IRS increases its capacity to an extent where it can manage such requests.

The automated collection system has been progressing through notices quickly to reach the level of intent to lien or levy. We are concerned that taxpayers who submit their completed return prior to April 15 who report a balance due will receive automated notices between the filing date and the payment due date of July 15. We feel it is in the best interest of taxpayers, tax practitioners and the IRS that the automated systems are updated imminently to reflect the new payment due date to avoid unproductive activities surrounding responding to notices during the pandemic.

**The IRS Should Revise Electronic Signature Procedures**

We recommend that any additional authorization or approvals be put in place for the use of electronic signatures in light of the current social distancing requirements.

**Other Issues Similarly Require Careful Consideration**

Finally, we note that there are other time related issues in the Internal Revenue Code and regulations unrelated to filing deadlines; one such issue is the time that a non-citizen is in the U.S. for purposes of determination of residency. This issue and others are beyond the scope of this letter, but need careful consideration.

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**Conclusion**

Thank you for your work to guide the country through these difficult days. If you have any questions, or if we can assist further, please feel free to contact me at 832-333-7431 or [ddonnelly@cricpa.com](mailto:ddonnelly@cricpa.com); or TXCPA Staff Liaison Patty Wyatt at 817-656-5100 or [pwyatt@tscpa.net](mailto:pwyatt@tscpa.net).

Sincerely,

A handwritten signature in blue ink that reads "David Donnelly". The signature is written in a cursive style with a large, stylized initial "D".

David P. Donnelly, CPA  
Chair, Federal Tax Policy Committee  
Texas Society of Certified Public Accountants