

March 21, 2020

## **Tax filing deadline postponed, but April 15 still important**

I know that you all have probably received a lot of emails from the various businesses that you are associated with. I did not want to flood your inbox with still another email, until I had some authoritative information. I actually have three bits of news that I want to share: 1) Tax filing deadline has been postponed to July 15, 2020, 2) I am working remotely and will be contacting you about the best way to communicate with you, and 3) April 15 is still important (especially regarding the AZ Charitable Tax Credits).

First the news that affects the most people: On Wednesday, March 18, the Treasury department and IRS extended the deadline to pay federal income taxes to July 15, 2020. Then on Friday morning, Treasury Secretary Mnuchin tweeted that not only would the deadline to pay federal income taxes be extended, but also the deadline to file taxes would now be extended from April 15, 2020 to July 15, 2020. This was made official through Notice 2020-18 about 6:30pm eastern time on March 20. Late Friday afternoon, the Arizona Department of Revenue announced that the deadline to file and pay Arizona Income Taxes has also been moved from April 15, 2020 to July 15, 2020. IRS Notice 2020-18 also indicates that taxpayers who are responsible for paying estimated tax payments by April 15, 2020 have until July 15, 2020 to make that payment.

For most people, that means that the traditional April 15 deadline has been shifted to July 15 for this year. However, there are some exceptions (see the last section about April 15 still being important). And the current rules only change the deadline for items that are due April 15. So, if you have a due date for paying taxes or filing forms that is on a date other than April 15 (i.e. payroll taxes, the 2<sup>nd</sup> estimated payment, non-profit tax returns, etc), you may still need to meet that deadline.

The second thing I wanted to share with you is that this week I have not only been busy staying up to date on the latest tax law changes and due dates, but I have also moved my main office so that I am working from home. I will be working virtually as much as possible. I know that many of you are not as technologically



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savvy as others, and I will try to be as accommodating as is safe for the community. But especially with the extended due dates for tax returns, some of the changes that I have made include going “old-school” with some of you and simply mailing documents back and forth. So, as I complete your tax returns or the date approaches when we were initially scheduled to meet, I will likely be talking with you about how you want to communicate with me this year. Please feel free to tell me if you aren’t comfortable using technology. Or perhaps you aren’t familiar with it but want to give it a try. Whatever your comfort level, I will try to work with you and make the process as easy as possible.

The last thing I wanted to mention is that while most of the deadlines have been pushed back to July 15, not all of them have. Currently, the deadline to contribute to an IRA is still April 15 (note: the CARES act introduced in the Senate on this week would shift this due date as well). Also, if any of you have not filed your tax return for 2016 and are expecting a refund – you need to still file that by April 15, 2020 in order to claim the refund.

And if you want to help the community, and at the same time save on your taxes, the deadline to donate and claim one of the AZ charitable contribution credits has NOT been extended. Your AZ income tax liability may be reduced to zero by contributing to specified charitable organization, foster care organizations, public schools, and/or private tuition organizations. If you make your donation by April 15, 2020 and the organization is on one of “the lists”, then you can choose to take a dollar-for-dollar credit against your 2019 Arizona tax liability. There are some limits (see the attached flyer). But if you can’t benefit from your full donation this year, you can carry it forward for up to five years. So, even if you don’t know how much you may owe in AZ taxes, you will likely still (eventually) benefit from the donation.

If you don’t know where to donate, consider one of the organizations that is in particular need right now during the COVID-19 outbreak. In the current environment food banks (many of which are on the Arizona list of Qualifying Charitable Organizations) are under immense pressure to serve more people. And Arizona public schools are offering meals to any child, whereas under normal circumstances they would only be providing food to those who qualify. So, you



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may want to consider donating to an organization on the attached list, or to an Arizona public school. But remember the due date is April 15, if you want to claim the credit on your 2019 tax return.

I know that the past few weeks have been stressful for many of you. And taxes are stressful for many under any circumstance. My company tagline is: "We help people navigate their financial journeys", and I want you to know that I am here to help you navigate these rough waters.

I will be in contact with you in the coming days to solicit feedback on the best way to communicate with you and answer any questions you may have regarding the preparation of your taxes.

Katie