



For additional resources, please visit the [Ropes & Gray Coronavirus Resource Center](#), with up-to-date insights on best practices, legal considerations, and maintaining the health and safety of employees.

November 10, 2020

COURTS		
US TAX COURT	Website	https://www.ustaxcourt.gov/
	Canceled	<ul style="list-style-type: none"> Sessions in March, April, May, and June were cancelled. On June 22, the Tax Court published its fall calendar, with sessions to be conducted remotely.
	Logistics	<ul style="list-style-type: none"> The Tax Court is introducing a new case management system on December 28, 2020. Beginning on November 20, 2020, the current case management system will not accept documents for e-filing. The Tax Court has issued a 60-day extension to file answers to Tax Court petitions filed between September 21, 2020 and October 28, 2020, pursuant to Administrative Order 2020-04. While no formal announcement has been made, Chief Special Trial Court Judge Lewis Carluzzo expects that winter trial sessions will be conducted remotely. Judge Mark Holmes said he expects the hearings will continue virtually through at least mid-April. The Tax Court published the Fall 2020 Trial Sessions, dated June 22, 2020. The Tax Court announced via Press Release on May 29, 2020 that, when proceedings resume the week of September 14, 2020, they will be conducted entirely remotely. Proceedings will be available to the public via telephone dial-in. <ul style="list-style-type: none"> The first two US Tax Court Virtual Sessions held on September 14, in Los Angeles and Detroit, were successful. The Tax Court also issued Administrative Order 2020-02 governing remote court proceedings. These guidelines became effective immediately and do not contain a sunset date. They provide that trials will be conducted either via telephone or video, as specified within the notice setting a case for trial. Parties are responsible for ensuring—to the best of their abilities—that they and their witnesses are able to participate in the remote proceedings. The orders likewise adjusted pre-trial filing deadlines. Administrative Order 2020-3 provides additional guidance on limited entry of appearance procedures. On October 6, 2020, the Tax Court adopted amendments to Rules 21, 24, 260, 261, and 262. Certain of these modifications relate to COVID-19 procedures allowing limited appearances by attorneys during trials. In a Press Release issued on August 6, 2020, the Tax Court provided additional guidance on remote procedures, including electronically filed stipulated

COURTS

decisions bearing digital image signatures, subpoenas, and limited entries of appearance.

- The Tax Court building has been closed to the public since March 13, and closed entirely since March 19.
- Receipt of mail and hand delivered documents resumed at the U.S. Tax Court on July 10, 2020, and any mail held at the U.S. Post Office or a private delivery services will be delivered that day. As of September 29, 2020, the Tax Court no longer had a backlog of mail due to the pandemic.
 - Due to the hold-up on Tax Court mail processing, certain taxpayers may receive premature assessments from the IRS. Such taxpayers may contact the IRS at taxcourt.petitioner.premature.assessment@irs.gov.
- As of October 30, 2020 the U.S. Tax Court suspended acceptance of hand-delivered documents, but will continue to accept timely mailed documents. There is no prediction as to when acceptance of hand-delivered documents might resume.
- The Tax Court's eAccess and eFiling systems remain operational and the Court will continue to process items received electronically, serve orders and opinions, and enter and serve decisions.
- [IR-2020-87](#): The IRS hosted virtual Settlement Days to assist unrepresented taxpayers in settling disputes.
- Deadlines
 - [Notice 2020-23](#): Extended to July 15, 2020 certain filing deadline that would have otherwise fallen between (and including) April 1 and July 15, 2020. Deadline extended included the filing of any petition with the Tax Court or a review of a Tax Court decision, filing a claim for credit or refund, and bringing suit on a claim for credit or refund. *Provitola v. United States*, No. 20-12615-BB (11th Cir. Oct. 15, 2020). ***Note that deadlines prior to April 1, 2020 were not extended.***
 - Taxpayers were allowed to comply with statutory deadlines by timely mailing, which was determined by the USPS postmark or private delivery service delivery certificate.
- The Tax Court will continue to work with litigants and receive telephone calls.
- Judges will continue to issue opinions.

FEDERAL		
LEGISLATIVE PHASES	Phase 1	H.R. 6074 Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 : \$8.3 billion of appropriations toward vaccine development and prevention efforts.
	Phase 2	<p>H.R. 6201 Families First Coronavirus Response Act: On March 18, 2020, Senate passed revised House Bill without Amendment and President signed into law. In Division G, includes tax credits to reimburse employers for paid sick and paid Family and Medical Leave Act, up to a certain cap. See Ropes & Gray Alert on House Bill, Ropes & Gray Alert on Final Bill.</p> <ul style="list-style-type: none"> • Sec. 7001: Payroll Credit for Required Paid Sick Leave – Refundable tax credit for qualified paid sick leave. • Sec. 7002: Credit for Sick Leave for Certain Self-Employed Individuals – Refundable credit for qualified sick leave equivalent for certain self-employed individuals. • Sec. 7003: Payroll Credit for Required Paid Family Leave – Refundable credit for qualified family sick leave paid for each calendar quarter. • Sec. 7004 – Credit for Family leave for Certain Self-Employed Individuals – Refundable credits for qualified family leave equivalent for certain self-employed individuals. • Sec. 7005 – Special Rule Related to Tax on Employers – Wages required to be paid by reason of EPSLA and EFMLEA will not be considered wages under Sec. 3111(a) or compensation under Sec. 3231(a). <p>See U.S. Department of Labor Questions and Answers on Families First Coronavirus Response Act.</p>
	Phase 3	<p>Coronavirus Aid, Relief, and Economic Security Act (CARES Act): Signed by the President on March 27, 2020. Implements several individual and business tax provisions, intended to provide relief to impacted businesses and individuals and to encourage retention of employees. Several key tax provisions are discussed below. See Ropes & Gray Alerts on tax provisions and all provisions.</p> <ul style="list-style-type: none"> • Individual Rebates: Authorizes a refund of tax for an eligible individual to the lesser of tax reflected on an individual's tax return or \$1,200 per individual (\$2,400 for joint return), but not less than \$600 per individual (\$1,200 for joint return). Taxpayers will receive an additional \$500 per qualified child. • NOL Changes: A net operating loss (NOL) arising in a taxable year beginning after December 31, 2017, and before January 1, 2020, generally can be <u>carried back</u> five years preceding the taxable year of such loss. In addition, the effective date of the "80% NOL limitation" rule enacted in December 2017 is changed to be effective for tax years beginning after December 31, 2020. • Business Interest Expense Deductions: Business interest expense deductions can be taken for up to 50% of business income (up from 30%) for 2019 and 2020. For 2020, the business can elect to use 2019 income to determine the limitation amount.

FEDERAL		
	Phase 4	<p>Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act): The House bill was released on May 12, 2020, and passed by the House on May 15. Among other things, the bill proposed to expand FFCRA sick and family leave, proposed to expand CARES Act employee retention credits, proposed to increase the individuals eligible for the CARES Act's recovery rebates, proposed an additional recovery rebate, and proposed to increase the child tax credit and earned income tax credit.</p> <p>Health, Economic Assistance, Liability Protection and Schools Act (HEALS Act): The Senate proposed the HEALS Act on July 27, 2020 as a response to the House's passage of the HEROES Act. The complete bill pieces together eight of Senate's individually proposed bills. Together with the HEROES Act, the HEALS Act is Phase 4 of the federal government's response to the COVID-19 crisis. See Ropes & Gray alert on HEALS Act to find a detailed analysis on tax aspects of the HEALS Act along with comparisons against the CARES Act and HEROES Act.</p> <p>On September 8, 2020, the Senate Republicans proposed the Delivering Immediate Relief to America's Families, Schools and Small Business Act, which is a "targeted" COVID-19 relief proposal. The proposed act failed to pass the Senate.</p>
WHITE HOUSE	WEBSITE	Daily Coronavirus Press Briefings
	EXECUTIVE ACTION	The Memorandum on Payroll Tax Obligations in Light of Ongoing COVID-19 Disaster directed the Secretary of the Treasury to defer the withholding, deposit, and payment of payroll taxes through December 31, 2020.
TREASURY	TREASURY WEBSITES	Coronavirus: https://home.treasury.gov/coronavirus Mnuchin Statements: https://home.treasury.gov/news/press-releases/statements-remarks/secretary

FEDERAL—IRS	
IRS WEBSITE	https://www.irs.gov/coronavirus
IRS PRIMARY GUIDANCE ON PHASE 2, PHASE 3, & EXECUTIVE ACTION (arranged first topically, and then by announcement type)	
IRS PRIMARY GUIDANCE: EMPLOYER TAX CREDITS	<p>Taken as a whole, guidance makes two points clear:</p> <ol style="list-style-type: none"> 1. Employers eligible for tax credits under the FFCRA (Phase 2) and the CARES Act (Phase 3) may — instead of paying these amounts to IRS — retain both (i) withheld federal income tax and (ii) Social Security and Medicare taxes (both employee and employer share). 2. If available tax credits exceed retained amounts, eligible employers would then file Form 7200 for advance payment of tax credits. <p>See Ropes & Gray April 1 Alert; see also Ropes & Gray March 23 Alert (on IR-2020-57).</p> <p><u>Regulations:</u></p> <ul style="list-style-type: none"> • Temporary Regulations and Proposed Regulations to address the reconciliation of advance payments of refundable employment tax credits and recapture the benefit of such credits when necessary. The regulations authorize the assessment of erroneous refunds of the credits paid under the FFCRA and CARES Act.

FEDERAL—IRS

FAQs:

- FAQs About [Employee Retention Credit](#) (last reviewed or updated by the IRS on September 30, 2020): The July 9 update includes guidance on who may properly sign a Form 7200. The September updates included information on filing Form 7200.
- FAQs About [COVID-19-Related Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses](#), (last reviewed or updated by the IRS on September 25, 2020). The September 25 update includes information regarding when a third-party payer should be listed on Form 7200.
- FAQs About [Payroll Support for Air Carriers and Contractors Under CARES Act](#) (last reviewed or updated by IRS on May 7, 2020)
- FAQs About [Deferral of Employment Tax Deposits and Payments through December 31, 2020](#) (last reviewed or updated by the IRS on July 30, 2020). The July 30 update includes guidance on how an employer defers the employer's share of Social Security tax and what the difference is between a deposit and a payment towards an employment tax liability.

Forms:

- Form 7200, Advance Payment of Employer Credits Due to COVID-19: <https://www.irs.gov/forms-pubs/about-form-7200>.
- Form 941: Employer's Quarterly Federal Tax Return: <https://www.irs.gov/pub/irs-dft/f941--dft.pdf> (Last updated by the IRS on April 29, 2020). A draft version of Form 941 was published on approximately May 5, 2020. When finalized, the form will allow for reporting credits taken by employers for certain relief provided by the Families First Coronavirus Response Act (FFCRA) and the CARES Act.
- Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, draft as of September 2, 2020: <https://www.irs.gov/pub/irs-dft/f7202--dft.pdf>

Notices:

- Notice [2020-22](#): Relief from Penalty for Failure to Deposit Employment Taxes.

Press Releases:

- [IR-2020-57](#): Press release on implementation of paid sick and family leave and associated tax credits, and employee retention tax credits.
- [IR-2020-62](#): Discusses basic eligibility requirements for the Employee Retention Credit.
- [IR-2020-158](#): On July 15, the IRS announced that it had started sending letters to taxpayers experiencing a delay in processing their Form 7200. The letter would explain the basis for the rejection or provide the new payment amount in case the amount is adjusted.

Internal Revenue Manual Procedural Update:

- According to an [IRM update](#), taxpayers in bankruptcy may defer taxes pursuant to Section 2302 of the CARES Act. The full amount owed for the tax period must be included in the proof of claim.

Taxpayer Tools:

- The Taxpayer Advocate Service released a [COVID-19 Business Tax Relief Tool](#) designed to assist businesses in determining which types of federal relief they may qualify for.

FEDERAL—IRS

IRS PRIMARY GUIDANCE:

PAYROLL TAX DEFERRAL

- The IRS issued [Notice 2020-65](#) to provide initial guidance on the Presidential Memorandum directing payroll taxes to be withheld through December 31, 2020. For employees whose bi-weekly pay is less than \$4,000, social security taxes may be withheld for pay periods beginning September 1. Any amounts deferred must be withheld and ratably deposited from January 1 – April 30, 2021. Deferral is not required.
- See [Ropes & Gray August 31 Alert](#).

IRS PRIMARY GUIDANCE:

ECONOMIC IMPACT PAYMENTS (EIPs) (aka INDIVIDUAL REBATES)

Websites:

- <https://www.irs.gov/coronavirus/economic-impact-payments>
- For 2018, 2019 filers, to check payment status and enter payment information: <https://www.irs.gov/coronavirus/get-my-payment>
- For non-filers, to enter payment information: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

Press Releases:

- [IR-2020-61](#) & [Treasury Press Release](#): Distribution of EIPs will be automatic for most people, including Social Security beneficiaries who are not typically required to file a tax return.
- [IR-2020-72](#) & [IR-2020-73](#): Provides that recipients of Supplemental Security Income will automatically receive EIPs.
- [IR-2020-75](#): Recipients of benefits from Veterans Affairs will automatically receive EIPs.
- [IR-2020-76](#): Recipients of Social Security retirement, survivor or disability benefits (SSDI), Railroad Retirement benefits, Supplemental Security Income (SSI), and Veterans Affairs (VA) beneficiaries who are not required to file a tax return were required to register by April 22, 2020 to add \$500 per eligible child onto their automatic payment of \$1,200.
- [IR-2020-81](#): To quickly receive full amount of EIP, SSI and VA beneficiaries had to update dependent information with IRS by May 5, if SSI and VA beneficiaries didn't file a tax return in 2018 or 2019.
- [IR-2020-92](#): People may use the IRS "Get My Payment" tool to receive payments more quickly.
- [IR 2020-93](#): Provides common scenarios that may explain why a recipient of Economic Impact Payment received a different payment amount than expected.
- [IR 2020-97](#): IRS will add 3,500 telephone representatives to answer common questions about the Economic Impact Payments provided by the CARES Act.
- [IR 2020-105](#): Some taxpayers will receive Economic Impact Payments in the form of a prepaid debit card, which will arrive in a plain envelope from "Money Network Cardholder Services."
- [IR 2020-111](#): Low-income individuals and others who are not required to file a tax return may be eligible for an Economic Impact Payment and can quickly register for payment by using the free Non-Filers tool, available only on IRS.gov.
- [IR 2020-120](#): The Treasury Department and the IRS provided tax relief for certain taxpayers affected by the COVID-19 pandemic involved in new markets tax credit transactions.
- [IR 2020-121](#): EIPs belong to the recipients, not to organizations provide care, such as nursing homes.
- [IR-2020-180](#): The registration period is reopened for federal beneficiaries who did not receive an additional \$500 per child.
- [IR-2020-192](#): The IRS will send catch-up payments to spouses whose portion of EIP was diverted to pay their spouse's past-due child support.

FEDERAL—IRS

- [IR-2020-229](#): The IRS extended the deadline to register for an EIP to November 21, 2020. This is a five week extension. A separate October 23, 2020 [announcement](#) made it clear the extension also applies to beneficiaries who had received an EIP but had not received a supplemental \$500 payment for qualifying children.
- [IR-2020-248](#): The IRS announced a number of changes that are put in place to aid struggling taxpayers impacted by COVID-19 to facilitate settling their tax debts with the IRS.

FAQs about [Economic Impact Payments](#) (last reviewed or updated by the IRS on November 10, 2020): Provides guidance on calculating, requesting, and receiving Economic Impact Payments. The November update include information on EIP eligibility, non-filers tool, calculating and receiving EIP, as well as information applicable for Social Security, Railroad Retirement and Department of Veteran Affairs benefit recipients.

FAQs about [Get My Payment](#) (last reviewed or updated by the IRS on November 10, 2020): Provides guidance on accessing Get My Payment as well as checking Payment status and entering direct deposit, AGI or refund information. The November updates emphasize that EIPs must be requested by 3 PM EST on November 21, 2020 and provide further information on payment status and missing payments.

IRS PRIMARY GUIDANCE:

OTHER FAQs

IRS Chief Counsel indicated that the IRS may consider formally publishing FAQs related to COVID-19 guidance in the Internal Revenue Bulletin.

FAQs about [Taxpayers can now fax Form 8918, Material Advisor Disclosure Statement](#) (last reviewed or updated by the IRS on October 23, 2020): Until further notice, the IRS is accepting taxpayers' completed Form 8918 via fax or accepting via mail Form 8918 that is mailed to Office of Tax Shelter Analysis ("OTSA") address provided on the Instructions to Form 8918.

FAQs about [Faxing Form 8886, Reportable Transaction Disclosure Statement with the Office of Tax Shelter Analysis](#) (last updated October 13, 2020): Until further notice, the IRS will accept faxed copies of Form 8886, which taxpayers use to report Reportable Transactions.

FAQs about [Temporary procedures to fax certain Forms 1139 and 1045 due to COVID-19](#) (last reviewed or updated by the IRS on October 29, 2020): Starting on April 17, 2020 and until midnight EST on December 31, 2020, IRS is accepting eligible refund claims Form 1139 or Form 1045 submitted via fax. The June 29 update provides that the extension granted by Notice 2020-26 applies to consolidated groups and that a taxpayer that satisfies such notice's requirements will have 18 months, rather than the normal 12 months, after the end of the loss year, to file Form 1139 or Form 1045. The October update specifies that the temporary procedures will expire as of midnight EST on December 31, 2020.

[Temporary Regulations](#): The IRS has issued temporary regulations on the carryback of consolidated net operating losses. Consolidated groups that acquire new members that were members of another group are permitted to make certain elections with respect to pre-acquisition losses.

FAQs about [Carrybacks of NOLs for Taxpayers Who Have Had Section 965 Inclusions](#) (last reviewed or updated by the IRS on April 23, 2020): Provides guidance on the carrybacks of NOLs for taxpayers who have had Code section 965 inclusions. This guidance is in relation to Revenue

FEDERAL—IRS

Procedure 2020-24 and the temporary procedures for faxing certain Forms 1139 and 1045 to the IRS. An IRS official has announced the IRS cannot estimate when refunds will be issued pursuant to submission of these forms.

FAQs about [NOL Carrybacks of C Corporations to Taxable Years in which the Alternative Minimum Tax Applies](#) (last reviewed or updated by the IRS on August 3, 2020): Provides further information for subchapter C corporation taxpayers that are carrying back NOLs to years in which the alternative minimum tax applies.

FAQs about [Carrybacks of NOLs by Certain Tax-Exempt Organizations](#) (last reviewed or updated by the IRS on September 19, 2020): Provides guidance to tax-exempt organizations on deducting CARES Act NOLs from UBTI.

FAQs about [Installment Agreement Direct Debit](#) (last reviewed or updated by the IRS on April 23, 2020): Provides that payments that were due between April 1 and July 15, 2020 were suspended for taxpayers under an existing Installment Agreement.

FAQs about [FATCA Requirements](#) (last reviewed or updated by the IRS on April 29, 2020): Provides guidance that IRS will grant an automatic extension of time to submit a FATCA certification for an entity with a certification due date of July 1, 2020. FATCA certifications that were due on July 1, 2020 will be extended to December 15, 2020, without the need to file an extension request with the IRS.

FAQs about [Coronavirus-related Relief for Retirement Plans and IRAs](#) (last reviewed or updated by the IRS on September 19, 2020): Explains the special rules under CARES Act section 2202 for retirement plans and IRAs and expands permissible loans from certain retirement plans. The July 30 update provides that, subject to facts and circumstances of each case, employees who participated in a business's qualified retirement plan, then were laid off because of COVID-19 and rehired by the end of 2020, are not treated as having an employer-initiated severance from employment for purposes of determining whether a partial termination of the plan occurred.

FAQs about [Paycheck Protection Program Loans](#) (last reviewed or updated by the IRS on October 7, 2020): Provides guidance to address borrower and lender questions concerning the implementation of the Paycheck Protection Program ("PPP"). The October 7 update provides that (1) the extension of the deferral period under the Paycheck Protection Program Flexibility Act of 2020 automatically applies to all PPP loans, (2) SBA does not require a formal modification to the promissory note, and (3) the lenders must give immediate effect to the statutory extension as well as notify borrowers of such change to the deferral period.

FAQs about [Individuals Claiming the Medical Condition Exception in 2020](#) (last reviewed or updated by the IRS on May 27, 2020): Provides that certain alien individuals that meet the specified requirements may be eligible to claim the medical condition exception to exclude certain days of U.S. presence from substantial presence test (described in section 7701(b)(3)) if they meet the requirements described in sections 7701(b)(3)(D)(ii) and 301.7701(b)-3(c).

FAQs about [Estate tax Form 706 deliveries returned due to COVID-19](#) (last reviewed or updated by the IRS on April 13, 2020): Provides a list of actions a taxpayer may take to ensure that Form 706 package is considered timely filed.

FEDERAL—IRS

FAQs about [Taxation of Provider Relief Payments](#) (last reviewed or updated by the IRS on July 6, 2020): Provides guidance on payments received from Provider Relief Fund.

FAQs about [CARES Act Coronavirus Relief Fund](#) (last reviewed or updated by the IRS on July 6, 2020): Provides guidance on questions related to Coronavirus Relief Fund established by the CARES Act.

FAQs about [Leave Sharing Plans](#) (last reviewed or updated by the IRS on September 19, 2020): Provides that employers may set up a leave-sharing plan under IRS Notice 2006-59. No apparent updates were included in the September review.

FAQs about [Temporary procedure to fax automatic consent Forms 3115 due to COVID-19](#) (last reviewed or updated by the IRS on September 20, 2020): Provides that starting on July 31, 2020 until further notice, the IRS will accept via fax, the duplicate copy of Form 3115 (Application for Change in Accounting method). This temporary procedure only applies to certain taxpayers. No apparent updates were included in the September review.

IRS PRIMARY GUIDANCE:

[Rev. Proc. 2020-22](#): Provides guidance regarding elections per recent changes made to Code Section 163(j).

OTHER REVENUE PROCEDURES

[Rev. Proc. 2020-23](#): Certain partnerships are permitted to file amended returns using for taxable years beginning in 2018 and 2019, using Form 1065 and amended Schedule K-1, instead of filing AARs. This allows partnerships to benefit immediately from relief provided under the CARES Act. Amended returns do not need to be limited to CARES Act relief.

[Rev. Proc. 2020-24](#): Prescribes when and how to file the following: election to waive NOL carryback, election to exclude section 965 years, and election under the CARES Act special rule concerning taxable years beginning before January 1, 2018, and ending after December 31, 2017.

[Rev. Proc. 2020-25](#): Provides procedures for taxpayers to take advantage of the retroactive technical correction permitting 100% Bonus Depreciation with respect to Qualified Improvement Property.

[Rev. Proc. 2020-26](#): Provides relief for certain taxpayers by utilizing the amendments made to NOL provisions by CARES Act Section 2303. The notice extends the deadline to file an application for tentative carryback adjustment under Code Section 6411 for carrying back an NOL generated in any taxable year that began during calendar year 2018 and that ended on or before June 30, 2019.

IRS PRIMARY GUIDANCE:

[Notice 2020-32](#): Provides guidance on the deductibility for Federal income tax purposes of certain otherwise deductible expenses incurred in a taxpayer's trade or business when the taxpayer receives a covered loan pursuant to the Paycheck Protection Program (PPP) under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)). The notice clarifies that deduction is disallowed under the Code for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan under section 1106(b) of the CARES Act.

OTHER NOTICES

[Notice 2020-29](#): Provides for increased flexibility with respect to mid-year elections under a section 125 cafeteria plan during calendar year 2020 related to employer-sponsored health

FEDERAL—IRS

coverage, health Flexible Spending Arrangements, and dependent care assistance programs. It also provides increased flexibility on grace periods to apply unused amounts in health FSAs and dependent care assistance programs to applicable expenses incurred through December 31, 2020.

[Notice 2020-33](#): Modifies Notice 2013-71 to increase the carryover limit (currently \$500) to a maximum of \$500, for unused amounts remaining at the end of a plan year in health FSA under a section 125 cafeteria plan. It also clarifies the ability of a health plan to reimburse individual insurance policy premium expenses incurred prior to the beginning of the plan year for coverage provided during the plan year.

[Notice 2020-35](#): Amplifies the definition of Affected Taxpayer and Specified Time-Sensitive Actions as provided in Notice 2020-23 to postpone the deadlines for specified time-sensitive actions applicable to certain employment taxes, employee benefits, and exempt organizations.

[Notice 2020-39](#): Provides relief for qualified opportunity funds (QOFs) and their investors affected by COVID-19 pandemic. The notice also provides guidance on application of certain relief provisions in Code Section 1400Z-2 regulations.

[Notice 2020-41](#): Modifies previously provided IRS notices that address the beginning of construction requirement for production tax credit for renewable energy facilities (under section 45) and investment tax credit for energy property (under section 48).

[Notice 2020-42](#): Provides temporary relief from the physical presence requirement in Treas. Reg. Section 1.401(a)-21(d)(6) for participant elections required to be witnessed by a plan representative or a notary public, including a spousal consent required under Code Section 417. The temporary relief covers the period from January 1, 2020, through December 31, 2020.

[Notice 2020-46](#): Provides treatment of amounts paid to section 170(c) organizations under employer leave-based donation programs to aid victims of the COVID-19 pandemic.

[Notice 2020-49](#): Postpones certain deadlines for making investments with respect to a qualified community development entity.

[Notice 2020-50](#): Provides that qualified individuals may receive favorable tax treatment on distributions from eligible retirement plans that are coronavirus-related distributions.

[Notice 2020-51](#): Provides guidance on the waiver of 2020 required minimum distributions (RMDs) from certain retirement plans. Among other items, the notice permits rollovers of waived RMDs and certain related payments as well as answers questions regarding the waiver of 2020 RMDs.

[Notice 2020-52](#): Clarifies the requirements that apply to a mid-year amendment to a safe harbor § 401(k) or § 401(m) plan that reduces only contributions made on behalf of highly compensated employees.

[Notice 2020-54](#): Provides guidance to employers on reporting the amount of qualified sick leave wages and qualified family leave wages paid to employees pursuant to the Families First Coronavirus Response Act.

FEDERAL—IRS

[Notice 2020-61](#): Provides guidance on the special rules relating to funding of single-employer defined benefit pension plans, and related health benefit limitations, under the CARES Act.

[Notice 2020-62](#): Modifies two safe harbor explanations relating to information that must be provided to recipients of eligible rollover distributions.

[Notice 2020-65](#): Postpones the due date until the period beginning on January 1, 2021, and ending on April 30, 2021, for withholding and payment of employee share of social security tax for certain employers affected by the COVID-19 pandemic.

IRS PRIMARY GUIDANCE: INFORMATION LETTER & OTHER GUIDANCE

[Information Letter 2020-0008](#): Payments to undergraduate and graduate students under Section 18004 of the CARES Act are excludible from gross income under Code Section 139.

[National Taxpayer Advocate](#): While the IRS FAQs are subject to further review and change, the NTA's view is that taxpayers should not be penalized for taking the time to locate the FAQs for help in complying with tax obligations.

[Announcement 2020-12](#): Lenders that make PPP loans that are later forgiven under the CARES Act do not need to file information returns and should not furnish payee statements.

IRS FILING & PAYMENT EXTENSIONS

Overview: All filing and payment deadlines falling between April 1 and July 15 (inclusive) were extended to July 15. *See* Notices [2020-17](#), [2020-18](#), [2020-20](#), [2020-23](#); *see also* [IR-2020-58](#); [IR-2020-66](#).

March 31, 2020 filing deadline for FATCA Report (Form 8966) extended to July 15, 2020. *See* [IRS March 30 Announcement](#). However, for taxpayers who received printed balance due notices with due dates that had already passed, the new due date was July 10, 2020. *See* [Notice 1052-A Insert](#).

The IRS has announced several initiatives to remedy confusion caused by notices that it improperly sent or delayed. However, the IRS has temporarily suspended the requirement that it issue an apology letter when an “interim letter” is erroneously sent to a taxpayer.

- In a [Memorandum](#), the IRS temporarily revised the dates for which taxpayer requests will be considered timely with respect to collection due process (CDP) levy notices. The timeliness of taxpayer requests will vary based on the type of notice received.
- The IRS had also [announced](#) that it had suspend the mailing of three types of balance due notices in an effort to lessen confusion. On October 23, 2020, the IRS [announced](#) that beginning in late October 2020, it would resume issuing the balance notices alerting taxpayers to nonpayment.
- The IRS is further [seeking to correct](#) employer accounts for companies that were improperly penalized for claiming tax credits on their Forms 941, in accordance with Notice 2020-22.

The IRS has informally indicated that it may grant relief from failure to file and pay penalties for tax filers who can show reasonable cause for the delay based on circumstances related to COVID-19. Any tax forms for which an extension is sought should have “COVID-19” written atop the filing. Taxpayers should also be prepared to show a good faith effort to comply with deadlines.

FEDERAL—IRS

FAQs:

FAQs about [Filing and Payment Deadlines Questions and Answers](#) (last reviewed or updated by the IRS on September 22, 2020): Provides guidance on the expanded relief provided by Notice 2020-23 that IRS published on April 9, 2020, and supersedes previously published FAQs about Notice 2020-17 and Notice 2020-18.

Notices:

- [2020-17](#): Payment extensions were until July 15, 2020 for individuals and corporations, for both 2019 and 2020 estimated payments (amounts aggregated). Penalties and interest were waived if payments made on or before July 15, 2020. (Limitations on amounts extended later removed by Notice 2020-18.) See [Ropes & Gray March 18 Alert](#).
- [2020-18](#): Provides there is no limitation on the amount of Federal income tax payments that may be deferred, superseding Notice 2020-17.
- [2020-20](#): Provides the due date for filing Forms 709 and making payments of Federal gift and generation-skipping transfer tax due April 15, 2020, was automatically postponed to July 15, 2020 for any person owing federal gift tax or generation-skipping transfer tax on April 15.
- [2020-23](#): Tax relief expanded to additional returns, tax payments, and other actions. For the Affected Taxpayers specified in this notice, the due date for filing specified forms and making specified payments was automatically extended to July 15, 2020.
- [2020-58](#): Taxpayers that have a measuring period under the substantial rehabilitation test ending on or after April 1, 2020, and before March 31, 2021, now have until March 31, 2021 to satisfy the test.

Press Releases:

- [IR-2020-58](#): Automatically postponed filing and payment deadlines from April 15 to July 15, 2020, without limit on amount deferred.
- [IR-2020-66](#): Extended July 15, 2020 deadline to file returns and make payments generally applied to all taxpayers that had a filing or payment deadline falling on or after April 1, 2020, and before July 15, 2020.
- [IR-2020-109](#): IRS reminder – taxpayers who live and work abroad had until July 15, 2020, to file their 2019 federal income tax return and pay any tax due, where the usual deadline was June 15, 2020.

IRS REFUNDS

The IRS cannot estimate when taxpayers will receive refunds pursuant to forms faxed to the IRS for alternative minimum tax credits and NOL deductions.

IRS ENFORCEMENT

Deadlines Extended: Notice [2020-23](#) also extended to July 15, 2020 the deadline to take any “Time Sensitive Actions,” which were due on or after April 1, 2020 and before July 15, 2020. Time sensitive actions are defined in § 301.7508A-1(c)(1)(iv) – (vi) of the Procedure and Administration Regulations and Rev. Proc. 2018-58, and include filing a petition with the Tax Court or for review of a Tax Court decision, filing a claim for credit or refund of any tax, or bringing suit for a claim of tax refund or credit. The notice further extended the deadline for the filing of any petition with the Tax Court or a review of a Tax Court decision, filing a claim for credit or refund, and bringing suit on a claim for credit or refund.

In a [FAQ](#), the IRS clarified that taxpayers got the benefit of both filing extensions granted under Notice 2020-23 and by virtue of the Tax Court’s closure, pursuant to the principles of *Guralnik v. Comm’r*, 146 T.C. 230 (2016). Ultimately, this extended any Tax Court filing deadlines from March 19, 2020 until July 15, 2020. The Tax Court began accepting mail on July 10, 2020.

FEDERAL—IRS

Statute of Limitations Issues: The IRS will continue working cases where a statute of limitation is pending, and may work with the taxpayer to extend the statute.

Office of Chief Counsel: The Office of Chief Counsel will continue to resolve cases in litigation. The Tax Court has released its virtual Fall calendar and has resumed processing petitions as of July 10, 2020.

Independent Office of Appeals: Appeals will conduct conferences telephonically or by videoconference for docketed cases in Appeals' jurisdiction. For docketed cases, Appeals has begun scheduling virtual conferences in preparation for trials. Trials will also be held virtually. For nondocketed cases, Appeals, as of the October 27 announcement, will no longer be suspended due to taxpayer's request for in-person conferences and will begin scheduling virtual conferences.

Mail Backlog: A Tax Court judge and the Taxpayer Advocate Service have acknowledged that the Tax Court and IRS' delay in opening mail may impact enforcement activities. The IRS is offering abatements of some failure-to-file penalties for returns and payments that were timely mailed. The Taxpayer Advocate Service has acknowledged that correspondence examinations are limited, but that taxpayers should respond to all notices and, if necessary, provide an explanation of why they have not complied with an exam notice. The IRS is also providing relief from bad check penalties for dishonored checks due to delayed processing. This relief is applicable for payments the agency received starting March 1 and may extend as late as December 31, 2020.

News Releases:

- [IR-2020-112](#): The IRS Office of Chief Counsel is expanding the Virtual Settlement Days program.
- [IR-2020-233](#): Beginning in October 2020, the IRS will include QR barcodes on CP14 notices (informing taxpayers of unpaid taxes) that will direct taxpayers to the applicable IRS webpage.

Large Business & International Division ("LB&I"):

- On March 25, 2020, LB&I announced IDR enforcement procedures would be suspended through July 15, 2020 for taxpayers who are unable, due to the COVID-19 pandemic, to respond to a timely IDR. Examiners continued issuing and receiving IDRs.
- On April 14, 2020, LB&I clarified which enforcement activities would be postponed and which would continue. Examinations will continue that are related to the Large Compliance Campaign, FATCA, and TCJA-related campaigns. LB&I will not start an examination of most new returns, and managers have discretion on returns relating to an existing examination.
- On June 26, 2020, the LB&I issued a [memo](#) providing compliance priorities guidance.

Small Business/Self-Employed Division ("SB/SE"):

- SB/SE temporarily suspended certain collection activities through July 15, 2020, subject to certain exceptions for exigent circumstances.
- In SBSE-05-0720-0049, SB/SE issued an interim guidance on collection due process (CDP) procedures in making timely determinations.
- On July 6, 2020, SB/SE issued a [memo](#) on collection guidance post People First Initiative and a [memo](#) on examination guidance post People First Initiative.

FEDERAL—IRS

- On July 10, 2020, SB/SE issued a [memo](#) regarding all-collection guidance beginning July 16, 2020.
- On July 14, 2020, SB/SE issued a [memo](#) regarding resumption and initiation of compliance activity beginning July 16, 2020.
- On September 8, 2020, SB/SE issued a [memo](#) providing relief for taxpayers who are unable to comply with the payment terms of an Offer in Compromise (“OIC”). The IRS may grant an extension or modify the terms of the OIC.
- On October 1, 2020, SB/SE issued a [memo](#) extending temporary guidance relating to taxpayer contact, initial contact, and asset valuations.

Appeals:

- On September 15, 2020, the Appeals division issued a [memo](#) providing that Appeals employees may temporarily provide taxpayers with access to their redacted case files.

Tax Exempt & Government Entities Division (“TE/GE”):

- In TE/GE-04-0720-0013, TE/GE extended the approval period to deviate from standard IDR enforcement timeliness until further notice. The IRS also provided guidance on resumption of TE/GE exam activities post July 15, 2020, effective until further notice.
- On July 7, 2020, TE/GE issued a [memo](#) on resumption of Exam activities post July 15, 2020.

IRS Collections:

- IRS will not immediately resume all collection and enforcement actions, despite the expiration of the People First Initiative on July 15, 2020. While outgoing correspondence for mail audits and IRS matching programs may resume in August, automatic levy programs and certifications regarding passports will resume on a case-by-case basis.
- IRS’ automated collection system will stop all levies and collection notices effective immediately. Only exception is LP68 Notices, which notify taxpayers a levy was released. Private debt collectors may continue their activity.
- [IR-2020-59](#): People First Initiative eased compliance and enforcement actions, including postponing deadlines, suspending collections activities, and delaying initiation of most new examinations. The program was in effect until July 15, 2020.
- In [Tax Tip 2020-56](#), the IRS provided updates on its compliance activities under the People First Initiative, including installment agreements, field collection activities, OIC payments and applications, and private debt collection.
- In [Tax Tip 2020-57](#), the IRS provided updates on its examination and audit activities under the People First Initiative, including audits, limitations periods, and EITC and wage verification reviews.
- In a series of [People First Initiative FAQs](#), the IRS has made the following announcements:
 - For taxpayers under an existing Installment Agreement/Payment Plan, payments due between April 1 and July 15, 2020 were suspended. Taxpayers who are thereafter unable to comply with terms of such agreements may suspend payments. Interest will continue to accrue. ([Last updated by the IRS on July 9, 2020](#)).
 - The IRS may initiate new audits beginning July 15, 2020. ([Last updated by the IRS on July 15, 2020](#)).
 - Taxpayers should resume making payments on Offers in Compromise that are under investigation beginning July 15, 2020. Taxpayers with already accepted offers should

FEDERAL—IRS

have resumed payments and made up for missed payments by July 15, 2020. ([Last updated by the IRS on July 9, 2020](#)).

- The IRS will not issue new certifications to the Department of State that a taxpayer has a seriously delinquent tax liability, which would affect the issuance or renewal of passports, until at least July 15, 2020. ([Last updated by the IRS on July 10, 2020](#)).
- The IRS will not automatically release levies. ([Last updated by the IRS on July 17, 2020](#)).
- [IR-2020-248](#): Taxpayers who are entitled to short-term payment plans can have up to 180 days to pay their taxes instead of the original 120-day period. Instead of defaulting, the IRS will automatically add certain new tax balances to existing Installment Agreements, for individual and out of business taxpayers. The IRS increased flexibility for certain qualified individual taxpayers that temporarily cannot satisfy their obligations under offers in compromise, and procedures that allow certain taxpayers who owe less than \$250,000 in tax to set up alternative payment plans without furnishing a financial statement. Individual taxpayers who only owe for the 2019 tax year and who owe less than \$250,000 may qualify to set up an Installment Agreement without a notice of federal tax lien filed by the IRS. Qualified taxpayers with existing Direct Debit Installment Agreements may now be able to use the Online Payment Agreement system to propose lower monthly payment amounts and change their payment due dates.

IRS temporarily allowing electronic submission for certain requests:

- [Revenue Procedure 2020-29](#): Modifies the procedures in Rev. Proc. 2020-1, 2020-1 I.R.B.1 (January 2, 2020), temporarily to allow for electronic submission via efax or email of requests for letter rulings, closing agreements, determination letters, and information letters under the jurisdiction of the IRS Office of Chief Counsel, and for determination letters issued by the IRS Large Business and International Division. Until Rev. Proc. 2020-29 is modified or superseded, both paper and electronic requests for advice described in section 2.01 of the revenue procedure will be accepted. If requests have previously been submitted in paper, duplicate requests may be resubmitted electronically.
- [IR-2020-212](#): Reminds taxpayers and practitioners that they make take advantage of expedited letter ruling procedures.

IRS CLOSURES

As of July 16, some Taxpayer Assistance Centers are open and operate by appointment. The list of TACs that are open can be found [here](#).

IRS LOGISTICS

- As of October 5, 2020, the IRS is continuing to process millions of items of mail. While mail has been opened, 5 million pieces of correspondence remain stored at processing facilities. The Taxpayer Advocate Service has acknowledged that the IRS' delay in opening mail may impact enforcement activities. The IRS is offering abatements of some failure-to-file penalties for returns and payments that were timely mailed.
- The IRS recalled workers in all states beginning July 13. Previously, the IRS opened facilities and recalled employees in eight states and Puerto Rico throughout June, in accordance with state and local guidelines. IRS facilities in Georgia, Michigan, Missouri, and Tennessee reopened on June 15, and facilities in California, Indiana, Ohio, Oregon, and Puerto Rico on June 29. As of June 1, IRS had recalled thousands of employees in Kentucky, Texas, and Utah. As of April 27, IRS had recalled certain employees in mission-critical functions to perform for work that must be handled onsite. IRS employees who are able to telework will continue to telework.
- IRS's National Distribution Center in Illinois is closed until further notice.

FEDERAL—IRS

- As of July 2, all IRS toll-free phone lines supported by customer service representatives for taxpayers and tax professionals are available. Automated phone lines also remain available.
- IRS encourages taxpayers to file electronically due to processing delays for paper returns.
- Due to office closures, some mail that is sent to the IRS is being returned to taxpayers as undeliverable.
- As of July 2, all in-person Taxpayer Advocate Service offices are closed. Local Taxpayer Advocate Service offices continue to accept and handle calls.
- Through December 31, 2020, the IRS will accept images of signatures and digital signatures on certain documents and accept and transmit documents to taxpayers using secured messaging systems. It will also temporarily accept photographed, scanned, or virtual signatures from multinational taxpayers on requests to negotiate international income allocation.
 - On August 28, 2020, the IRS issued a [memorandum](#) and [IR-2020-194](#), providing that it would temporarily accept digital signatures on certain forms that cannot be filed electronically. Affected are Forms 1066, 1120s, 3115, 8802, 8453s, 8832, 8878s, and 8879s.
 - On September 10, 2020, the IRS issued a [memorandum](#) and [IR-2020-206](#) extending the above-mentioned rule to Forms 706s, 709, 1120-ND, and 3520s.
- Temporary deviation: IRS Appeals employees will accept images of signatures (scanned or photographed) and digital signatures on documents related to Appeals' consideration. Appeals employees may also accept documents via email and transmit documents to taxpayers using SecureZip or other established secured messaging systems. *See* AP-08-0720-0011.
- The IRS is processing all lien certificate applications normally and assigning them within 10 days.
- The Centralized Authorization File (CAF) processing operations at Memphis and Ogden are operational.
- The U.S. Residency Certification Program is temporarily suspended.
- The IRS continues to process applications for recognition of tax exemption for exempt organizations.

NEXUS & SOURCING — IRS CROSS-BORDER TAX GUIDANCE

[FAQs](#) (last reviewed or updated June 12, 2020): Provides information for nonresident aliens and foreign businesses impacted by COVID-19 travel disruptions. The June 12 update provides that Affected Person's income during the COVID-19 emergency period will not be subject to the 30% gross basis tax imposed under Code section 871(a) or section 881(a) solely because the Affected Person is not treated as having a U.S. trade or business or business conducted through a permanent establishment in the U.S. under these FAQs.

Press Release [IR-2020-77](#): IRS provides relief to individuals and businesses affected by travel restrictions due to the COVID-19 emergency relating to residency, foreign income exclusions, and conducting a U.S. trade or business.

[Rev. Proc. 2020-20](#): IRS provides that an eligible individual who intended to leave the U.S. during the individual's COVID-19 emergency period but was unable to do so due to COVID-19 Emergency Travel Disruptions, may exclude the individual's COVID-19 emergency period (up to 60 calendar days) for purposes of applying the "substantial presence test" under Code section 7701(b)(3).

FEDERAL—IRS

[Rev. Proc. 2020-27](#): IRS provides a waiver of the time requirements of Code section 911(d)(1) for any individual who reasonably expected to meet the eligibility requirements during 2019 or 2020, but failed to meet the requirements because the individual departed a foreign country on or after a certain date due to the COVID-19 emergency.

[Rev. Proc. 2020-30](#): IRS provides that a U.S. business may exclude up to 60 days of employees' temporary activities abroad for purposes of determining whether such business has a foreign branch separate unit under Section 1503(d).

STATES—SUMMARY

The American Institute of CPAs is maintaining a chart of states' responses to the coronavirus, which is available here: [link](#).

STATES—CALIFORNIA

CA WEBSITE	https://www.ftb.ca.gov/
CA FILING & PAYMENT EXTENSIONS	<p>[All Businesses and Individuals] Filing and payment deadlines were extended to July 15 for all individuals and business entities for 2019 returns and payments, 2020 first and second quarter estimated payments, 2020 LLC taxes and fees, and 2020 nonwage withholding payments. Ropes & Gray has issued an alert detailing California's rules and guidance on COVID-19.</p> <p>[Impacted Taxpayers] Deadlines were extended to July 15 for filing claims for refunds, protesting notices of proposed assessments, filing appeals with the Office of Tax Appeals, filing petitions for rehearing, and Franchise Tax Board's issuance NPAs to taxpayers.</p> <p>[Property Tax Filers] Counties will use their authority to cancel penalties and other charges for homeowners, small businesses, and other property owners unable to pay property taxes due to COVID-19.</p>
CA ENFORCEMENT	<p>[Audits] The California Franchise Tax Board ("FTB") did not initiate new audits through April. It communicated with taxpayers currently under audit through alternative means and granted extensions on requests for information.</p> <p>[Collection Activities] The FTB had suspended many collections activities, including the issuance of new attachments and liens. As of July 15, relief relating to delayed collection actions for personal income tax, business entity tax, and non-tax debt programs expired.</p> <p>[Statute of Limitations] The FTB will consider a claim timely filed if the statute of limitations expires during a postponement period and the claim was filed by July 15, 2020.</p> <p>[Filing and Appeals Extensions] The deadlines for filing an appeal originating from the Department of Tax and Fee Administration were extended. For appeals that had a briefing or other deadline that fell between March 1, 2020–July 30, 2020, an automatic 60-calendar day extension was granted. The deadlines for filing an appeal originating from the FTB had also been extended. For appeals or petitions for rehearing with an original due date on or after March 12, 2020 and on or before July 15, 2020, the deadline was extended to July 15, 2020. In addition, the deadline for correspondence to be filed with the OTA with an original due date falling between March 1, 2020 and June 30, 2020 had been extended by 60 days.</p>
CA CLOSURES	<p>All civil and criminal jury trials were suspended 60 days as of March 24, 2020. Criminal trials were extended an additional 30 days.</p> <p>The Office of Tax Appeals is maintaining its scheduled hearings in Sacramento, Los Angeles, and Fresno. Taxpayers requesting an oral hearing are offered the option to have the hearing telephonically, postponed, or the decision based on the written record.</p>
CA LOGISTICS	<p>The California Judicial Council adopted Emergency Rules to the California Rules of Court, effective as of June 11, 2020.</p> <p>The FTB will accept electronic signatures on statute of limitations waivers.</p> <p>In August 2020, the Office of Tax Appeals announced that OTA would not conduct in-person oral hearings so long as the Governor's Executive Order N-25-20 remains in place. Taxpayers may request an online hearing held using either videoconferencing or teleconferencing technology, or may seek a determination based on the written record without an oral hearing.</p>

STATES—SUMMARY

	The FTB will not require an original signature on paper returns and other forms through December 31, 2020, except for Power of Attorneys.
CA NEXUS & SOURCING	Out-of-state employers will not trigger nexus solely due to the fact that employees are working remotely from California.

STATES—CONNECTICUT

CT WEBSITE	https://portal.ct.gov/DRS
CT FILING & PAYMENT EXTENSIONS	<p>[CARES Act] The Office of the Commissioner has issued guidance addressing the Connecticut tax implications of the CARES Act, including NOLs and Qualified Improvement Property.</p> <p>[Business] Extended filing and payment deadlines for some business tax returns due on or after March 15 and before July 15. (CT-1065/CT-1120 passthrough entity tax returns, CT-990T unrelated business income tax returns, CT-1041 Trust and Estate tax returns, CT-1120 and CT-1120CU corporation business returns, and estimated taxes due on the above-listed returns.)</p> <p>[Individuals] Individuals' returns will follow IRS relief. Accordingly, the filing and payment deadline was extended to July 15, 2020. The extension also applied to estimated income tax payments for the first and second quarters of 2020.</p> <p>[Sales and Room Occupancy Taxes] The deadline for eligible taxpayers to file and pay Sales Tax and Room Occupancy Tax was extended to May 31, 2020.</p> <p>[Emergency Motor Vehicles] Certain International Fuel Tax Agreement (IFTA) credentialing rules are temporarily waived to ensure the flow of critical goods –including medical and sanitary supplies, food, fuel, and other items of necessity - reach their destination in Connecticut without interruption. The waiver applies to commercial motor vehicles based outside of Connecticut that transport emergency relief supplies into the state.</p> <p>[Earned Income Tax Credit] The deadline to submit additional documentation for a Connecticut EITC claim was extended to July 15, 2020.</p> <p>[Gift Tax Returns] The filing and payment deadline for gift tax returns reporting gifts made in taxable year 2019 was automatically extended from April 15, 2020 to July 15, 2020. This extension did not apply to estate tax.</p>
CT ENFORCEMENT	<p>[Collection Activities] Any taxpayer who is the subject of a payment plan, bank warrant, wage execution, or other levy by DRS and needs relief or assistance because of the impact of COVID-19, may contact DRS directly to speak to a tax professional.</p> <p>[Protests and Appeals] The deadline for filing certain administrative protests with the DRS Appellate Division was extended 90 days. The 30 day timeframe during which taxpayers must initiate a tax appeal was suspended.</p>
CT CLOSURES	<p>Effective end of business March 17, 2020, the Connecticut Department of Revenue Services (DRS) branch offices are closed to the public until further notice.</p> <p>All business with DRS can be conducted electronically, by telephone, or by written correspondence.</p>

DISTRICT OF COLUMBIA

DC WEBSITE	https://otr.cfo.dc.gov/node/1468206
DC FILING & PAYMENT EXTENSIONS	<p>[Businesses and Individuals] The deadline for taxpayers to file and pay their 2019 District of Columbia individual and fiduciary income tax returns, partnership tax returns, and franchise tax returns was extended to July 15, 2020. This extension applied to all D-20, D-30, D-40, D-41, D-40B, and D-65 tax filers, and includes combined return filers.</p> <p>[All Businesses (except hotels and motels)] Interest and late payment penalties of sales and use taxes were waived for periods ending on February 29, 2020 and March 31, 2020 provided that payment of all taxes due for these periods were paid in full by July 20, 2020. Taxpayers must have timely filed.</p> <p>[Real property tax filers] Real property tax filers had an extended deadline to appeal a real property tax assessment (to May 15, 2020), file an Exempt Property Annual Use Report (to May 15, 2020), and file an Income and Expense Report (to June 1, 2020). In addition, property owners impacted by COVID-19 could apply for a waiver of real property tax penalties and interest.</p> <p>[Individuals and Businesses] An announcement clarified the deadlines for individual and business taxpayers to file their Tax Year 2020 estimated tax payments (Forms D-40ES, D-41ES, D-20ES, and D-30ES) remain unchanged.</p>
DC CLOSURES	The OTR walk-in center on 4 th Street, SW is closed. Other OTR offices remain open.
DC NEXUS & SOURCING	<ul style="list-style-type: none"> The Office of Tax and Revenue will not seek to impose corporation franchise tax or unincorporated business franchise tax nexus solely on the basis of employees or property used to allow employees to work from home (e.g., computers, computer equipment, or similar property) temporarily located in the District during the period of the declared public emergency and public health emergency, including any further extensions by the Mayor.

STATES—ILLINOIS

IL WEBSITE	https://www2.illinois.gov/rev/Pages/Taxpayer-Resources-during-COVID-19-%28Coronavirus%29-Outbreak.aspx
IL FILING & PAYMENT EXTENSIONS	<p>[Businesses and Individuals] Filing and payment deadlines for income tax returns for individuals, trusts, and corporations were extended to July 15, 2020. This did not apply to the first and second installments of estimated payments for 2020 taxes that were due April 15 and June 15, respectively.</p> <p>[Qualified Eating & Drinking Establishments] Qualified eating and drinking establishments (that had a 2019 sales tax liability less than \$75,000) were entitled to relief from penalties and interest on late sales tax payments.</p> <p>[Sales Tax Exemptions] The expiration date for Illinois Sales Tax Exemption ("E") numbers that expired or will expire during calendar year 2020 is extended until December 31, 2020.</p> <p>[Estimated Taxes] The Department provides additional options upon which taxpayers may base their 2020 estimated tax payments and safe harbors for avoiding estimated late payment penalties.</p> <p>[Hand Sanitizer Production] All alcohol purchased for use in the development of hand sanitizer will be tax exempt.</p> <p>[IFTA] Penalties and interest were waived through May 26, 2020 on late-filed, first quarter IFTA returns due April 30, 2020. Ropes & Gray has issued an alert detailing the Governor's "stay-at-home" proclamation.</p>
IL LOGISTICS	As of June 22, 2020, all IL DOR offices are open to the public and no appointment is required.
IL NEXUS & SOURCING	If an Illinois resident employee has performed work for an out-of-state employer from their home in Illinois for more than 30 days, the employer may be required to register with the Department and withhold applicable taxes.

STATES—MARYLAND

MD WEBSITE	https://www.marylandtaxes.gov/
MD FILING & PAYMENT EXTENSIONS	<p>[Overview] Consistent with IRS guidance, the deadline to file returns and pay amounts due was extended to July 15, 2020 for generally all taxpayers with a filing or return deadline falling on or after April 1 and before July 15, 2020. The due date for March quarterly estimated payments for the first and second quarters of 2020 was also extended to July 15, 2020.</p> <p>[Business] Relief consistent with IRS: Payment extensions until July 15, 2020 for LLCs filing as individuals and corporations, for both 2019 and first quarter 2020 estimated payments.</p> <p>[Business-Related Taxes] Extended deadlines for business returns due in February, March, April, and May until July 15. This applied to sales and use tax, withholding tax, admissions and amusement tax, tobacco and motor fuel excise tax, tire recycling fee, and bay restoration returns.</p> <p>[Individuals] Relief consistent with IRS: Payment extensions until July 15, 2020 for individuals, for both 2019 and first quarter 2020 estimated payments. Individual income tax state returns are due October 15, 2020 if the taxpayer filed for a federal extension.</p> <p>[Essential Personnel Childcare Program] The Comptroller has provided guidance on the payment process for this new program.</p>
MD ENFORCEMENT	<ul style="list-style-type: none"> • Collections activities are suspended until 30 days after the COVID-19 State of Emergency Order issued by the Governor is lifted. • The Comptroller's officer is preparing to mail notifications to taxpayers who have unpaid tax liabilities. Recipients of the notice are not required to take action; however, interest will continue to accrue.
MD CLOSURES	<ul style="list-style-type: none"> • All Tax Court hearings scheduled from March 16, 2020 through July 3, 2020 were cancelled. Hearings schedule for August 1, 2020 and later will proceed as scheduled and will occur in person at the Maryland Tax Court in Baltimore.
MD LOGISTICS	<ul style="list-style-type: none"> • All Comptroller of Maryland branch offices have reopened with limited staff for appointment-only visits. • The Comptroller of Maryland will temporarily accept images of signatures and electronic signatures on certain documents related to determining and collecting liabilities. It will also send and accept documents via secure email. • As of May 18, 2020, the Comptroller resumed processing paper returns, including refund requests.
MD NEXUS & SOURCING	<ul style="list-style-type: none"> • Employer withholding requirements are not affected by the transition to telework. Taxation continues to be determined by the employee's physical presence.

STATES—MASSACHUSETTS

MA WEBSITES	https://www.mass.gov/orgs/massachusetts-department-of-revenue https://www.mass.gov/info-details/important-covid-19-coronavirus-response-update-from-dor
MA FILING & PAYMENT EXTENSIONS	<p>[CARES Act] The Department of Revenue released guidance addressing the Massachusetts tax implications of many tax provisions included in the CARES Act. The TIR specifically adopts certain sections of the Code that are currently in effect. For more information, see TIR 20-9.</p> <p>[Individuals] The state income tax filing deadline was extended to match the July 15 deadline for filing federal individual income taxes for personal income tax. This postponement extended to first and second installments of estimated taxes. For more information, see TIR 20-4.</p> <p>[Corporate Excise Taxpayers] Late-file and late-pay penalties were waived for returns and payments due April 15, 2020 if such returns and payments were filed and made by July 15, 2020. Interest still accrued. For more information, see TIR 20-4.</p> <p>[Certain Businesses that paid less than \$150,000 per year of certain sales, meals, and room occupancy taxes] Postponed collection of regular sales tax, meals tax, and room occupancy taxes that would be due between March 20, 2020-April 30, 2021 but are now due on May 20, 2021. Filing is also due May 20, 2021. Additionally, all penalties and interest that would otherwise apply will be waived. For more information, see 830 CMR 64G.1.1 and 830 CMR 62C.16.2.</p> <p>[Certain Vendors and Operators that did not qualify for previous state tax relief] Waiver of any late-file or late-pay penalties imposed on certain taxes during March 20, 2020–April 30, 2021. Interest will continue to accrue. For more information, see TIR 20-12.</p> <p>[Notarization of all DOR Forms] A notary public may perform a notarial act using electronic video conferencing. This procedure is applicable to all DOR forms requiring a notarial act.</p>
MA ENFORCEMENT	<ul style="list-style-type: none"> • Taxpayers may seek relief on certain compliance actions including appeals, audits, collections, and litigation.
MA CLOSURES	<ul style="list-style-type: none"> • According to a Press Release dated October 16, 2020, the earliest possible start date for jury trials is November 9, 2020. • The Supreme Judicial Court Fourth Updated Order, effective September 17, 2020, provides updated procedures regarding the accessibility of state courthouses. In addition, it provides that courts will resume in-person jury trials on a limited basis beginning October 23, 2020. • The Trial Court department has issued Trial Court Emergency Administrative Order 20-8 establishing specific operational protocols effective May 4, 2020. • All Department of Revenue tax and child support walk-in centers closed. • Appellate Tax Board: The ATB is closed. Materials may still be mailed to ATB, and ATB will continue to monitor phone messages. The ATB holds conferences on an as-needed basis. All in-person hearings have been suspended, but parties may be heard by telephone or video.
MA LOGISTICS	<ul style="list-style-type: none"> • The Massachusetts DOR will work with taxpayers to allow electronic signatures on certain forms. Any form bearing an electronic signature must be accompanied by a statement in the cover letter or transmission email attesting to the signature's validity. • Electronic Signatures: The SJC has the authorized use of electronic signatures for attorneys and self-represented parties.

	<ul style="list-style-type: none"> • The Trial Court opened up a Help Line effective April 2, 2020. The public can call the Help Line to address general questions about their criminal and civil cases as well as to navigate the court system while it remains temporarily remains closed. The Help Line can be reached at 833-91-COURT (833-912-6878), and is available Monday through Friday, from 8:30 am to 4:30 pm.
MA NEXUS & SOURCING	<ul style="list-style-type: none"> • Massachusetts temporarily treats the income of non-resident employees who worked in Massachusetts immediately prior to the pandemic, and who began telecommuting from another state on behalf of a Massachusetts business due to certain pandemic-related circumstances, as Massachusetts source income • With respect to resident employees who previously worked outside of Massachusetts, an employer need not withhold Massachusetts income taxes with respect to such employees to the extent the employer is required to withhold for the employees in another state. • Massachusetts will continue to tax all income earned by residents from any source. However, a resident who performed services from outside of Massachusetts prior to the pandemic, but who began performing such services in Massachusetts due to pandemic-related circumstances, will be eligible for a credit for income taxes paid to the state where the employee previously provided services. • For the duration of the COVID-19 state of emergency, the presence of employees in the state or business property reasonably necessary for the employees' use will not affect an employer's nexus with respect to sales and use or corporate excise tax liabilities, apportionment calculations, or liabilities under the Paid Family and Medical Leave Act, so long as the employees were present due to certain pandemic-related circumstances. • For more information, see TIR 20-10.

STATES—NEW JERSEY

NJ WEBSITE	https://www.state.nj.us/treasury/taxation/
NJ FILING & PAYMENT EXTENSIONS	<p>[Business, Individual] Enacted legislation extended deadlines for Individual Gross Income, Partnership, and Corporation Business Tax returns to July 15, 2020. Second quarter estimated payments were due on the original date. Corporations who received an extension to file calendar year returns will not receive a late filing penalty if the return is filed no later than November 16, 2020 (a 30 day extension). 2019 fiscal year filers who have an extended fiscal year federal return are also eligible for the 30 day extension.</p> <p>[Property Tax] Municipal governments were permitted to extend the grace period for property tax payments due May 1, 2020 until June 1, 2020. The filing deadline for property tax appeals at the county boards of taxation in counties operating under the “traditional” assessment calendar was extended from April 1, 2020 to July 1, 2020. Boards of taxation also have until Sept. 30, 2020 to render decisions on appeals before them.</p> <p>[Sales Tax and Surcharges] Surcharges imposed by businesses to cover COVID-19 prevention costs are taxable if the underlying service or product being sold is subject to NJ sales tax.</p>
NJ ENFORCEMENT	<ul style="list-style-type: none"> • The NJ Division of Taxation announced that no new audits would be initiated between April 15, 2020 – July 15, 2020. It also suspended a variety of collections activities and delayed payments due under payment plans. • The timeframe for taxpayers to file a tax appeal with the NJ Tax Court or the NJ County Boards of Taxation, or an administrative protest with the NJ Division of Taxation, has been extended until the later of May 1, 2020 or 30 days after the Governor determines the State of Emergency has ended. • With respect to the statute of limitations for when the state can audit a return, P.L. 2020, c. 19 extends both the original assessment time period and the consent period during which a taxpayer may agree to an extension by an additional 90 days after the COVID-19 state of emergency has been lifted. • In addition, the new law extends the time period that must elapse before the state is required to pay interest on refunds.
NJ CLOSURES	<ul style="list-style-type: none"> • For updates on Tax Court hearings, call (609) 421-6100. • All service centers are currently closed. The Trenton Regional Information Center reopened to the public on July 8 by appointment only.
NJ NEXUS & SOURCING	<ul style="list-style-type: none"> • The Division will temporarily waive the impact of the legal threshold within N.J.S.A. 54:10A-2 and N.J.A.C. 18:7-1.9(a) which treats the presence of employees working from their homes in New Jersey as sufficient nexus for out-of-state corporations. • The Division will not impose Sales Tax nexus on an out-of-state seller that does not maintain a physical presence in the state, aside from the presence of employees temporarily working from home, and otherwise remains below certain economic thresholds. • Individual taxpayers may use a different allocation method to reconcile their 2020 nonresident income allocation on their 2020 state individual income tax returns, if warranted. In addition, wage income will continue to be sourced as determined by the employer and the employer’s jurisdiction.
NJ LOGISTICS	<ul style="list-style-type: none"> • The Division will accept scanned images of signatures and digital signatures on certain documents.

STATES—NEW YORK

NY WEBSITE	https://www.tax.ny.gov/press/alerts/nys-tax-response-to-covid-19.htm
NY FILING & PAYMENT EXTENSIONS	<p>[Businesses] Sales tax vendors affected by COVID-19 were permitted to apply to have penalties and interest waived if they were unable to file or pay by the March 20, 2020 due date. Interest and late filing and payment penalties were abated until June 22, 2020.</p> <p>[Businesses and Individuals] Personal income tax and corporate tax returns and payments originally due on April 15, 2020 were extended to July 15, 2020, without penalties and interest.</p> <p>[Real Property Tax] The Governor suspended certain real property tax and county laws to provide local governments options related to assessment rolls and grievance day and property tax payments.</p>
NY ENFORCEMENT	<ul style="list-style-type: none"> • The Tax Appeals Tribunal and Division of Tax Appeals have not automatically extended deadlines. The agencies remain open with a limited staff and will accept, but do not encourage, in-person filings.
NY CLOSURES	<ul style="list-style-type: none"> • All hearings currently scheduled before the Division of Tax Appeals through July 24, 2020 were rescheduled.
NY LOGISTICS	<ul style="list-style-type: none"> • The Department temporarily accepted digital signatures on certain documents through July 15, 2020. • The Tax Appeals Tribunal and Division of Tax Appeals will accept digitally signed documents that are accompanied by a verification statement. This procedure applies to all documents, except for a taxpayer's signature on a Power of Attorney, which cannot be electronically signed. • New York courts have entered Phase Four of the reopening process, which expands in-person appearances for certain matters and permits Grand Jury proceedings. Other proceedings, including non-essential matters, continue to be conducted virtually. As of September 9, a pilot program commenced to resume jury trials outside of New York City. • The Tax Court Tribunal resumed in-person hearings in Albany in August.
NY SOURCING	<ul style="list-style-type: none"> • In FAQs, the Department of Taxation and Finance clarified that nonresidents whose primary office is in New York will be subject to New York tax earned on days spent telecommuting during the pandemic, unless the employer establishes a bona fide office in the telecommuting state.

STATES—RHODE ISLAND	
RI WEBSITE	http://www.tax.ri.gov/COVID/
RI FILING & PAYMENT EXTENSIONS	[Businesses and Individuals] The deadline for many personal income tax and business tax returns was extended to July 15, 2020.
RI LOGISTICS	<ul style="list-style-type: none"> • The department will accept electronic signatures on Forms RI-71.3 Election and RI-71.3 Remittance. • Formal administrative hearings were postponed until after May 25, 2020. • Prehearing conferences and status conferences were not postponed. • Although the Department of Taxation is open, taxpayers are encouraged to continue using available online and telephonic tools to avoid coming into the office.
RI NEXUS & SOURCING	<ul style="list-style-type: none"> • Employers should withhold RI income taxes on employees who are temporarily working out of state due to COVID-19. This guidance is effective until November 18, 2020.

STATES—VIRGINIA	
VA WEBSITE	https://www.governor.virginia.gov/newsroom/all-releases/2020/march/headline-854722-en.html
VA FILING & PAYMENT EXTENSIONS	<p>[Businesses] Businesses impacted by COVID-19 could request to defer the payment of state sales tax due March 20, 2020, for 30 days. When granted, businesses were able to file no later than April 20, 2020 with a waiver of any penalties.</p> <p>[Businesses and Individuals] Individual, corporate, and fiduciary income tax payments were due June 1, 2020. While filing deadlines remained the same, the due date for individual and corporate income tax was June 1, 2020.</p> <p>[Interest Waiver] Taxpayers with extended payment deadlines had statutory interest waived if full payment was made by the applicable extended deadline.</p>