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TAXES 10/19/22

# IRS Extends Filing Date For 2019 & 2020 Tax Returns For COVID Penalty Relief In Disaster Areas

The image shows a collage of IRS tax forms. At the top left is the cover of the 2020 General Instructions for Forms W-2 and W-3. Below it is Form 1040, U.S. Individual Income Tax Return, with the filing status section visible. To the right is Form W-4, Employee's Withholding Certificate. At the bottom is Schedule C, Profit or Loss From Business (Sole Proprietorship). The forms are overlaid on a light background with some text from other documents visible.

The IRS says that taxpayers in disaster areas have more time to file their returns to qualify for the [penalty relief](#) under [Notice 2022-36](#) for their 2019 and 2020 tax returns. Under Notice 2022-36, penalties for late-filing certain tax returns, as well as penalties for not reporting certain required information on the Form

1065 or Form 1120-S, are waived or abated if the relevant return was filed on or before Sept. 30, 2022. That date is past, but individuals and households that reside or have a business in recently declared FEMA disaster areas have postponed deadlines to file the return to get this relief, as noted below.

Areas with a deadline of **Nov. 15, 2022**, include:

- Counties in [Missouri](#) identified under FEMA's Major Disaster Declaration 4665.
- Counties in [Kentucky](#) identified under FEMA's Major Disaster Declaration 4633.
- The island of [St. Croix](#) in the U.S. Virgin Islands.
- Members of the [Tribal Nation](#) of the Salt River Pima Maricopa Indian Community.

Areas with a deadline of **Feb. 15, 2023**, include:

- [Florida](#),
- [Puerto Rico](#),
- [North Carolina](#),
- [South Carolina](#),

Areas in Alaska identified under FEMA's Major Disaster Declaration 4672 and

- Hinds County, [Mississippi](#).

The relief under Notice 2022-36 applies to the failure-to-file penalty that is typically assessed at a rate of 5% per month, up to 25% of the unpaid tax when a federal income tax return is filed late. This relief applies to forms in both the Form 1040 and 1120 series, as well as others listed in [Notice 2022-36](#), posted on IRS.gov.

Unlike the failure-to-file penalty, the failure-to-pay penalty and interest will still apply to any unpaid tax. The failure-to-pay penalty is normally 0.5% (one-half-of-one percent) per month, up to 25%. The [interest rate](#) is currently 6%, compounded daily.

Penalty relief for 2019 and 2020 returns is not available in some situations, such as where a fraudulent return was filed, where the penalties are part of an accepted offer in compromise or a closing agreement, or where the penalties were finally determined by a court. This relief is limited to the penalties that the notice specifically states are eligible for relief. For ineligible penalties, such as the failure-to-pay penalty, taxpayers may use existing penalty relief procedures, such as applying for relief under the reasonable cause criteria or the First Time Abate program. Visit [IRS.gov/penaltyrelief](https://www.irs.gov/penaltyrelief) for details. Different relief applies to 2021 returns. Visit the [disaster relief](#) page on IRS.gov for more information about tax year 2021.

*Check out my [website](#).*