



March 22, 2020

Dear Clients and Friends:

As a follow-up on previous correspondence from us on March 19th, we wanted to update you on additional guidance issued by the IRS and U.S. Treasury. New information is flowing in daily, and this note to you is specifically addressing guidance received on March 20th-21st via IRS Notice 2020-18 and IR-2020-58. Those citations likely mean little to most of you, but are there to ensure people are aware of rules in place at the time this letter from us (ACM) is issued. We are trying to keep our correspondence up-to-date and in 'plain language' as much as possible.

Most important changes with new guidance (Notice 2020-18):

- No longer a maximum dollar amount that taxpayers can defer without incurring penalties in interest.
 - In our prior correspondence, we mentioned a maximum income tax payment deferral of \$1 million for individuals and \$10 million for corporations. Under the revised guidance, there is no longer a maximum amount. In other words, no matter how much you would have normally owed on April 15, 2020, no payments are due until July 15, 2020, and will not be subject to interest/penalties through that period. Consistent with prior guidance, this also includes 1st quarter estimated tax payments.
 - It is important to note that this guidance is specifically and solely for purposes of federal income tax (including self-employment taxes). We are continuing to monitor each state's position on this, many of which (including Colorado), we expect will follow suit with the IRS.
- No need to file extensions or returns by April 15, 2020.
 - Under the prior guidance, there was still a requirement to file extensions or returns by the original due date of April 15, 2020. The relief in Notice 2020-18 removes this requirement.
 - It is also important to note that specific guidance on timing and process for an additional extension to file past July 15, 2020, still needs to be refined. For clients that normally file closer to 9/15 or 10/15 extended deadlines, we believe the safest route is to file an extension prior to April 15th. This will not negate the payment deferral benefits above.



What we are advising:

In order to determine if you are eligible for a refund, we will need all of your tax information (W-2's, 1099's, 1098's, etc. including all of the normal tax requests you are accustomed to) in order to prepare your returns and get them filed and the refund dollars back to you. In these scenarios, we are doing everything we can to prepare and process returns ASAP to get those refunds to you. The IRS indicates an expedited effort on their side to process returns that fall into this category.

Even in cases where you will owe tax (even on a deferred basis), we view it as very important to get information in as soon as possible in order for us to help you determine the upcoming amount, and plan for cash management. ACM is fortunate to be in a position to continue effectively and efficiently work remotely and has already implemented many tools that allow for safe and secure data transfer through our various systems. If you have any questions, please reach out directly to the team at ACM that you are working with. We are here to serve you.

Sincerely,

Stacey Duke
President and Managing Partner
www.acmlp.com