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U.S. Department of the Treasury have announced the 2021 income tax filing and payment deadline is now May 17, 2021.

Isaac M. O'Bannon • Mar. 17, 2021



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The move follows requests from tax and accounting professionals, tax technology companies, business leaders and state governments, who've highlighted the dramatic challenges faced by individuals and businesses due to the Covid-19 pandemic on their operations and finances. The just-passed American Rescue Plan Act of 2021, which includes \$1,400 stimulus payments to most Americans, also includes various tax provisions, such as an expansion of the Child Tax Credit, changes to unemployment taxability, and business tax provisions.

"This continues to be a tough time for many people, and the IRS wants to continue to do everything possible to help taxpayers navigate the unusual circumstances related to the pandemic, while also working on important tax administration responsibilities," said IRS Commissioner Chuck Rettig. "Even with the new deadline, we urge taxpayers to consider filing as soon as possible, especially those who are owed refunds. Filing electronically with direct deposit is the quickest way to get refunds, and it can help some taxpayers more quickly receive any remaining stimulus payments they may be entitled to."

"Under titanic stress and strain, American taxpayers and tax preparers must have more time to file tax returns," said Richard Neal (D-Mass.), the chair of the House Ways and Means Committee and Bill Pascrell, (D-N.J.) chair of the House Oversight Subcommittee.

These changes, as well as the large and continuing Payroll Protection Program business relief package, may have caused some taxpayers and businesses to have difficulty meeting the original April 15 deadline.

According to an IRS statement:

Individual taxpayers do not need to file any forms or call the IRS to qualify for this automatic federal tax filing and payment relief. Individual

taxpayers who need additional time to file beyond the May 17 deadline can

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This relief does not apply to estimated tax payments that are due on April 15, 2021. These payments are still due on April 15. Taxes must be paid as taxpayers earn or receive income during the year, either through withholding or estimated tax payments. In general, estimated tax payments are made quarterly to the IRS by people whose income isn't subject to income tax withholding, including self-employment income, interest, dividends, alimony or rental income. Most taxpayers automatically have their taxes withheld from their paychecks and submitted to the IRS by their employer.

The IRS is also still struggling to process millions of income tax returns from last year, when the filing season was delayed until July 15. Last year's delay in the filing and payment deadline for U.S. income taxes was the first time America's taxing agency has made an across-the-board delay in the deadline that applied to all Americans.

In arguing for a delay in both the tax filing and the payment deadline, the [American Institute of CPAs](#) (AICPA), the nation's largest organization for accounting professionals, noted that, "Even the IRS – faced with a significant mail processing backlog, a delayed start of the 2021 tax season, inundated phone lines, and a new round of COVID-19 relief payments – is overwhelmed. Denying a postponement of this filing and payment deadline disregards and further exacerbates the continued difficulties being faced by these families and businesses."

Another organization, the [National Association of Tax Professionals](#) (NATP) sent a letter to IRS Commissioner Charles P. Rettig last month requesting his consideration of a filing extension.

"Preparers are currently waiting on tax law guidance to accurately prepare their clients' returns," explains NATP Executive Director, Scott Artman, CPA. "Without

this, returns will be filed inaccurately and incompletely, and ultimately there will be

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coincide with the new IRS deadline. Taxpayers should check with a tax professional or their state tax agency website for guidance. Taxpayers and professionals can also urge lawmakers in their states to enact a change to match their state's tax deadline with the federal deadline.

One Final Note: Those \$1,400 stimulus payments are not taxable, nor were the stimulus payments that came before. They will not adversely affect tax returns or refunds from last year or this year.

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Isaac M. O'Bannon is the managing editor of [CPA Practice Advisor](#), a national publication and online resource providing news and guidance to tax and accounting professionals.

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