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Indonesia: FY2019 tax return filing deadline for individual taxpayers

What is the change?

In line with the government’s efforts to reduce and control the spread of coronavirus (COVID-19), the Directorate General of Taxation (DGT) has announced that any face-to-face service at all tax offices will temporarily cease beginning 16 March 2020 until 5 April 2020.

During this period, any consultation, registration, or other services will be served by the DGT officials through DGT online system, email, or phone.

As for individual tax return payments and the initial filing deadline of 31 March – the DGT has extended the deadline; therefore, individual taxpayers can settle their annual FY2019 income tax due and file their FY2019 income tax return before 30 April 2020 without any penalty. Individual taxpayers who have an obligation to submit a yearly “Tax Amnesty” assets declaration also have until 30 April 2020 to submit the declaration for the 2019 tax year to the tax office.

Deloitte's view

Regardless of the additional one-month extension, individual taxpayers can still submit their tax returns through the electronic system. Taxpayers who have not registered in the e-filing system are encouraged to register and obtain their Electronic Filing Identification Number (E-FIN) from the Tax Office as soon as possible, so that they can file the electronic tax returns earlier.

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United States: Relief from timely filing 2019 federal income tax returns and timely paying federal income tax/estimated income tax due to COVID-19

What is the change?

On March 13, 2020, the President of the United States issued an emergency declaration in response to the ongoing Coronavirus Disease 2019 ("COVID-19") pandemic ("Emergency Declaration"). The Emergency Declaration instructed the Secretary of the Treasury (the "Secretary") "to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency, as appropriate, pursuant to IRC § 7508A(a)." Pursuant to the Emergency Declaration, the Internal Revenue Service ("IRS") issued Notice 2020-18 (the "Notice") which provides relief to individuals with respect to timely filing federal income tax returns due April 15, 2020, as well as relief from timely paying federal income tax payments or estimated income tax payments due April 15, 2020.

URL: <https://www.irs.gov/pub/irs-drop/n-20-18.pdf>

Specifically, the Notice includes the following relief provisions:

1. The due date for federal income tax payments (including payments of tax on self-employment income) and federal income tax returns due on *April 15, 2020* in respect of the 2019 taxable year is *automatically postponed until July 15, 2020*, and
2. The due date for federal estimated income tax payments (including payments of tax on self-employment income) due on *April 15, 2020* in respect of the 2020 taxable year is *automatically postponed until July 15, 2020*.

Taxpayers do not have to file a Form 4868 (Application for Automatic Extension of Time to File US Individual Income Tax Return) for the automatic postponement to July 15, 2020. There is no limitation on the amount of the payment that may be postponed (a prior notice from the IRS that included limitations has been superseded).

To obtain an extension of time to file a federal income tax return beyond July 15, 2020, individual taxpayers will need to file Form 4868 by July 15, 2020.

No extension is provided for the payment or deposit of any other type of Federal tax (gift tax, generation-skipping transfer tax, estate tax, and employment tax), or for the filing of any Federal information return. Therefore, the deadline to file or request an extension of time to file Form 3520 (Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts) and other information returns remains April 15, 2020.

As a result of the postponement of the due date for filing Federal income tax returns and making Federal income tax payments from April 15, 2020, to July 15, 2020, the period beginning on April 15, 2020, and ending on July 15, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file the Federal income tax returns or to pay the Federal income taxes postponed by the Notice. Interest, penalties, and additions to tax with respect to such postponed Federal income tax filings and payments will begin to accrue on July 16, 2020.

This relief is only applicable to federal income tax payments due April 15, 2020 and does not change the due dates for tax payments due after this date, such as federal estimated income tax payments due on June 15, 2020. Thus,

taxpayers may be required to pay a second quarter federal estimated income tax payment by June 15, 2020 and the first quarter payment by July 15, 2020. Nevertheless, there is pending legislation that may postpone these later payments as well.

Deloitte's view

The extension of time until July 15, 2020 to make federal income tax payments and file tax returns originally due on April 15, 2020 provides some relief to taxpayers who may have trouble gathering complete information or accessing necessary systems to file their tax returns. Taxpayers anticipating a refund of federal income tax should still consider filing their return sooner than the postponed deadline, as the IRS has indicated that they are processing returns and paying out refunds.

The Notice is only applicable to federal income tax returns and tax payments and does not impact any payment deadlines with respect to state tax returns/payments; any changes to state deadlines will be released separately by state income tax authorities. Some states have already issued guidance, but others have not. Taxpayers should refer to their respective state authorities for guidance.

Guidance and changes are coming out regularly from both the IRS and Congress in response to COVID-19 and taxpayers should remain up-to-date on these changes.

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