

## IRS Late Filing Penalty Relief

With continued efforts to support taxpayers who were affected by the pandemic, the IRS announced on August 24, 2022, that it will provide penalty relief to most individual and business taxpayers who filed a delinquent 2019 or 2020 tax return due to the Covid pandemic. The penalty abatements and relief are only accessible if the taxpayer files an eligible tax return on or before September 30, 2022. For those that filed a delinquent tax return and have already paid the failure to file penalty, the IRS will automatically refund those payments back to the taxpayers.



### Which returns qualify for the Penalty Relief?

• Form 1040 – Individual Income Tax
• Form 1041 – Trust and Estate Income Tax
• Form 1120 – Corporate Returns
• Form 1065 – Partnership Returns
• Form 990-PF – Private Foundation Return
• Form 990-T – Exempt Organization Business Income Tax Return
• Form 1120S – Subchapter S Tax Returns
• Form 3520 – Annual Return to report Transactions with Foreign Trusts and Receipt of certain foreign gifts
• Form 5471 – Information Return of U.S. Persons with respect to certain Foreign Corporations
• Form 5472 – Information Return of a 25% Foreign-Owned U.S. Corporation or Foreign Corporation engaged in a U.S. Trade or Business



In addition to the above, the IRS also offers penalty relief to banks, employers and other businesses that are required to file various information returns, such as those in the 1099 series, if the 2019 and/or 2020 return was filed by August 1, 2020 & August 1, 2021, respectively.

The relief also applies to filers of most international information returns, such as those reporting transactions with foreign trusts, receipt of foreign gifts, and ownership interests in foreign corporations in which a return must be filed on or before September 30, 2022.

This is a major step forward for the IRS as it continues to diligently focus its efforts on minimizing the current backlog of returns and taxpayer correspondence ahead of the 2023 filing season, which is merely a few months away.

The automatic penalty relief does not apply to situations not mentioned above nor does it apply to any fraud situations, accepted offer in compromise, a settled agreement or a finally determined judicial proceeding.

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**Griffing & Company, P.C. is here to help you!**

If you believe you may qualify for the Penalty Relief, contact our office today to see how we can help you within the next 2 weeks. September 30<sup>th</sup> will be here before we know it. Do not delay!

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