

The Treasury Department and Internal Revenue Service has announced that the federal income tax filing due date for individuals for the 2020 tax year will be automatically **extended from April 15th, 2021 to May 17th, 2021**. We encourage you to review the Federal Tax Changes as well as any proposed upcoming changes as they may pertain to you personally. The rules and procedures are developing on a daily basis and we will continue to monitor and communicate any updates as new developments are announced. The federal tax filing deadline postponement to May 17th, 2021 only applies to individual federal income returns and tax payments otherwise due on April 15th, 2021- including tax on self-employment income. This change **does NOT include** state tax payments or state tax deposits or estimated federal tax payments. State filing and payment deadlines vary and are not always the same as the federal filing deadline. We urge you to check with your tax preparer and your state tax agencies for details regarding any changes to state-by-state filing and payment deadlines.

Although there could be additional changes that occur at any time, here are the issues to consider now:

2020 Tax Year - Filing Deadline:

- The April 15th deadline has been extended to May 17th for your 2020 return with any liability payments due by the extended May 17, 2021 deadline without any penalties and interest, regardless of amount owed.

2020 Tax Year - Account Contributions

- Contributions to Traditional IRA(s) or Roth IRA(s) for 2020 Tax Year:

Contributions must be made by May 17th, 2021.

Contributions to SEP-IRA, SIMPLE IRA, Defined Contributions payments for 2020 Tax Year

Contributions must be made by May 17th, 2021 deadline, unless you are filing an extension allowing for contributions to be extended beyond the new May 17th, 2021 deadline.

2021 Tax Year - Estimated Federal Tax Payments:

- **No Extension** on Estimated Federal Tax Payments for the 2021 Tax year.
- Individuals must pay their 1st quarter 2021 estimated tax payment by April 15, 2021. As with the first quarter payment, the remaining 3 quarterly payments **have not** been extended and are due: June 15, 2021, September 15, 2021, and January 18, 2022.
- You may consider utilizing withholding from W-2's, Social Security benefits, pension payments, IRA distributions, and/or other qualified distribution payments received to meet any underestimated tax penalties. We encourage you to check with your tax preparer or contact us to discuss your unique strategy.

Please stay safe and healthy and always call us if we can assist in any way.

The Winthrop Wealth Team

DISCLOSURES:

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.