Extension of Employment Tax Deadlines

January 27, 2021

Pursuant to Section 274 of the COVID-related Tax Relief Act of 2020, the IRS recently issued Notice 2021-11 which extends the repayment dates for the payroll tax deferral relief provided under IRS Notice 2020-65 (discussed in our prior blog post here). Under IRS Notice 2020-65, deferred employment taxes had to be withheld and remitted to the IRS in substantially equivalent installments from wages or other compensation paid to employees between January 1, 2021 and April 30, 2021, with interest and penalties on unpaid deferred taxes beginning to accrue on May 1, 2021. Under Notice 2021-11, the timing for withholding and payment of these taxes is extended through December 31, 2021, and the date that interest and penalties begin to accrue on unpaid deferred taxes is delayed until January 1, 2022.

Notice 2021-11 is available here.

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