

Relief for Taxpayers Affected by Ongoing Coronavirus Disease Pandemic, Related to Sport Fishing Equipment and Bows and Arrows Excise Tax Filing and Payment Deadlines

Notice 2020-48

SECTION 1. PURPOSE

On March 13, 2020, the President of the United States issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in response to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic (Emergency Declaration). The Emergency Declaration instructed the Secretary of the Treasury “to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency, as appropriate, pursuant to 26 U.S.C. 7508A(a).” Pursuant to the Emergency Declaration, this notice provides relief under section 7508A(a) of the Internal Revenue Code (Code) for the persons described in section 3 of this notice that the Secretary of the Treasury has determined to be affected by the COVID-19 emergency.

SECTION 2. BACKGROUND

Section 7508A of the Code provides the Secretary of the Treasury or his delegate (Secretary) with authority to postpone the time for performing certain acts under the internal revenue laws for a taxpayer determined by the Secretary to be affected by a federally declared disaster as defined in section 165(i)(5)(A). Pursuant to section 7508A(a), a period of up to one year may be disregarded in determining whether the performance of certain acts is timely under the internal revenue laws.

Section 40.0-1(a) of the Excise Tax Procedural Regulations applies the part 40 procedural regulations to various excise taxes including those imposed on sporting goods by chapter 32, subchapter D, part I of the Code. Section 40.6011(a)-1(a)(1) provides that the return of any tax to which part 40 applies must be made on Form 720 (Quarterly Federal Excise Tax Return) according to the instructions applicable to the form. The requirement for filing a return under part 40 applies separately to each tax listed by IRS Number on Form 720.

The federal sporting goods excise taxes are imposed by section 4161(a) on sport fishing equipment and by section 4161(b) on bows and arrows. These taxes are reported on Form 720, Part II, IRS Numbers: 41 (sport fishing equipment (other than fishing rods and fishing poles)), 110 (fishing rods and fishing poles), 42 (electric outboard motors), 114 (fishing tackle boxes), 44 (bows, quivers, broadheads, and points), and 106 (arrow shafts) (hereafter the "sport fishing and archery equipment numbers"). Under section 40.6011(a)-1(a), an entry for each IRS Number on Form 720 constitutes a separate return. The Form 720 due on July 31, 2020, covers the second calendar quarter (April, May, June) of the year 2020.

SECTION 3. GRANT OF RELIEF

Any person (as defined in section 7701(a)(1) of the Code) with a federal sporting goods excise tax payment due and the requirement to file a return under the sport fishing and archery equipment numbers on Part II of Form 720, on July 31, 2020, is determined to be affected by the COVID-19 emergency for purposes of the relief described in this section 3 (Affected Taxpayer).

For an Affected Taxpayer, the July 31, 2020, due date for filing Form 720 for the sport fishing and archery equipment numbers and making corresponding federal sporting goods excise tax payments is automatically postponed to October 31, 2020. This relief is automatic. Affected Taxpayers do not have to call the IRS, file any extension forms, or send letters or other documents to receive this relief. An Affected Taxpayer may file a Form 720 for excise taxes and pay the corresponding excise taxes on sport fishing and archery equipment by the normal due date (July 31, 2020) if the Affected Taxpayer so chooses. An Affected Taxpayer who takes advantage of this postponement should file only one Form 720 for the sport fishing and archery equipment numbers by the postponed deadline of October 31, 2020, on an IRS Number line if the taxpayer has excise tax liability for the tax corresponding to that Number and this Notice postpones the payment of that tax (in other words, avoid duplicate filings).

Any Affected Taxpayer that, pursuant to this Notice, files its second quarter Form 720 for the sport fishing and archery equipment numbers after July 31, 2020, must adhere to the following instructions:

- Any Affected Taxpayer that wants to take advantage of the postponement must file a paper Form 720, rather than an electronic Form 720, to file its return for excise taxes on sport fishing and archery equipment after July 31, 2020. In addition, an Affected Taxpayer must write "Notice 2020-48" on the top-center of the Form 720 on which its excise taxes on sport fishing and archery equipment are reported after July 31, 2020.
- An Affected Taxpayer may also choose to file a Form 720 for excise taxes on sport fishing and archery equipment by the normal due date (July 31, 2020).

For taxpayers who do not want to take advantage of this filing deadline postponement, a return filed by July 31, 2020, may be filed electronically.

- If any Affected Taxpayer that wants to take advantage of this postponement is required to file a Form 720 for excise taxes other than for sport fishing and archery equipment on July 31, 2020, the Affected Taxpayer must file the Form 720 by the normal due date for those taxes (July 31, 2020) with the sport fishing and archery lines blank. The Affected Taxpayer then must file a paper Form 720 by October 31, 2020, that reports the sport fishing and archery excise taxes subject to the relief provided by this Notice. In such a situation, the first Form 720 (reporting excise taxes other than on sport fishing and archery) may be filed electronically; however, the second Form 720 (reporting excise taxes on sport fishing and archery equipment) must be filed on paper and must be labeled "Notice 2020-48" in the top-center of the Form 720.
- Any Affected Taxpayer that wants to take advantage of the postponement must not combine second quarter (the calendar quarter containing April, May, and June 2020) and third quarter (the calendar quarter containing July, August, and September 2020) excise taxes onto one Form 720. Such Affected Taxpayers must file separate Forms 720 for the second and third quarters by October 31, 2020. Moreover, second and third quarter Form 720 excise tax payments must be made separately, and Affected Taxpayers should clearly designate payments with respect to the type of tax and tax period for which the payment is made.

As a result of the postponement of the July 31, 2020, due date for timely filing Forms 720 for the excise taxes on sport fishing and archery equipment and timely making such excise tax payments to October 31, 2020, the period beginning on August 1, 2020, and ending on October 31, 2020, will be disregarded in the calculation of any interest, penalty, or addition to tax for failure to file a Form 720 for the excise taxes on sport fishing and archery equipment or to pay such excise taxes shown on that form and postponed by this notice. Interest, penalties, and additions to tax with respect to such postponed Forms 720 and payments will begin to accrue on November 1, 2020, if the taxes are then unpaid or the Forms are not timely filed.

SECTION 4. CONTACT INFORMATION

For further information regarding this notice, you may call the COVID-19 Disaster Relief Hotline at (202) 317-5436 (not a toll-free call).