

FEA Government Affairs Committee Member Alert
IRS Issues Deadline Extensions for Like-Kind Exchanges

Late yesterday, the IRS issued Notice 2020-23, extending a variety of deadlines, including Section 1031 deadlines. This Notice would extend any 45-day or 180-day deadline that occurs between April 1 and July 15, to July 15, 2020.

The Notice is confusing, because it is not written like the typical Disaster Relief Notices, and does not explicitly reference Section 17 of Rev Proc 2018-58. Without the specific reference to Section 17, current prevailing thought is that the 120-day extension does not apply. Thus, a taxpayer with a 45th day falling on May 16, would receive an extension of the identification deadline to July 15. But that same taxpayer would not receive an extension to the 180-day deadline because it falls after July 15.

GAC leadership is working on a request for clarification.

Note also that the deadline for Opportunity Zone investment has also been extended.

Relevant text is below.

The Secretary of the Treasury has also determined that any person performing a time-sensitive action listed in either § 301.7508A-1(c)(1)(iv) – (vi) of the Procedure and Administration Regulations or Revenue Procedure 2018-58, 2018-50 IRB 990 (December 10, 2018), which is due to be performed on or after April 1, 2020, and before July 15, 2020 (Specified Time-Sensitive Action), is an Affected Taxpayer. For purposes of this notice, the term Specified Time-Sensitive Action also includes an investment at the election of a taxpayer due to be made during the 180-day period described in section 1400Z-2(a)(1)(A) of the Code.

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