



April 12, 2021

The Honorable Lloyd Smucker
302 Cannon House Office Building
Washington, D.C. 20515

RE: Legislation to Postpone First Quarter Estimated Tax Payment Deadline for 2021

Dear Congressman Smucker:

The American Institute of CPAs (AICPA) thanks you for your continued efforts to postpone the first quarter estimated tax payment deadline to May 17, 2021. Specifically, we support H.R. 2437, the Small Business Filing Fairness Act, which would align the 2021 first quarter estimated tax payment deadline with the May 17 postponed deadline for the 2020 Federal individual income tax return filing and payment. The bill would reduce system complexity, decrease the possibility of erroneous IRS notices, and assist small business taxpayers and their advisors with needed relief from a pandemic impacted environment.

Although the Internal Revenue Service (IRS) postponed the tax return due date “to provide relief from tax deadlines to Americans who have been adversely affected by the COVID-19 emergency,” much of the same tax return work must be done to calculate estimated payments. For the self-employed, Subchapter S corporations, and other small business taxpayers who make estimated tax payments during the year, the bifurcated deadline creates an unnecessary burden and forces tax preparers to devote additional time to calculate the estimated payment. Furthermore, pandemic-related revenue losses and other hardships have made it difficult for these small businesses and taxpayers to forecast 2021 revenue and properly estimate their tax liability. To put this burden in context, more than 9.5 million individual returns filed for the 2018 tax year included estimated payments and many of the people making those estimated payments were lower or moderate-income small businesses and self-employed.

We appreciate your work on this matter and welcome the opportunity to discuss this issue further. If you have any questions, please contact Melanie Lauridsen, AICPA Senior Manager – Tax Policy & Advocacy, at Melanie.Lauridsen@aicpa-cima.com; Lauren Pfingstag, AICPA Director – Congressional and Political Affairs, at Lauren.Pfingstag@aicpa-cima.com; or me at Chris.Hesse@CLAconnect.com.

Sincerely,

A handwritten signature in blue ink that reads "Christopher W. Hesse".

Christopher W. Hesse, CPA
Chair, AICPA Tax Executive Committee