



NOTICE 2020-23 issued on April 10, 2020

Update to Notice 2020-18, Additional Relief for Taxpayers Affected by Ongoing Coronavirus Disease 2019 Pandemic

This notice provides relief to accounts owners by postponing the due dates for specific types of actions that are required to be performed on or after April 1, 2020 and before July 15, 2020 (the “relief period”). For an action described below, if the due date falls within the relief period, the due date has been postponed to July 15, 2020.

Rollovers

529 rules permit a tax-free rollover of a distribution from a Qualified Tuition Plan (QTP), made within 60 days of the distribution, to another QTP account for the benefit of the same designated beneficiary or a member of the family of the original designated beneficiary. If the last date to deposit the rollover falls within the relief period, the deposit of the rollover into another QTP is now required by July 15, 2020.

Refunds of a Qualified Higher Education Expense (QHEE) paid to an eligible educational institution

At times, a portion of the QHEE is refunded to the beneficiary by the eligible educational institution. Current 529 law states that the refunded amount is not subject to income tax if the refund is recontributed to the beneficiary’s 529 account within 60 days after the date of such refund. If the last date to deposit the refund into the beneficiary’s account falls within the relief period, the deposit is now required by July 15, 2020.

Distribution of money from a 529 college savings account into an ABLE account

Current law provides that a distribution from a college savings account is not subject to income tax if, within 60 days of the distribution, it is transferred to an ABLE account of the designated beneficiary or a member of the family of the designated beneficiary. If the last date to deposit the distribution into another ABLE account falls within the relief period, the date to deposit is now required by July 15, 2020.