



TaxNewsFlash

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Notice 2024-66: Additional limited relief from underpayment of estimated tax attributable to CAMT liability

The IRS today released [Notice 2024-66](#) providing a waiver of the addition to tax under section 6655 for underpayment of any installment of estimated income tax of a corporate taxpayer with respect to a taxable year that begins during 2024 (a “Covered CAMT year”), to the extent the amount of any underpayment is attributable to a portion of a taxpayer’s corporate alternative minimum tax (CAMT) liability under section 55, as amended by Pub. L. No. 117-169 (commonly called the “Inflation Reduction Act of 2022” or IRA).

KPMG observation

This notice follows the release of [Notice 2024-33](#) and [Notice 2024-47](#) which previously provided a waiver of the addition to tax under section 6655 for underpayment of the 2024 first and second quarterly installments of estimated income tax (each of which were due within days of the dates of the notice releases). The relief provided in Notice 2024-66 is somewhat more expansive than the prior notices since it provides estimated tax relief with respect to CAMT for any Covered CAMT year (e.g., it provides additional relief for the third and fourth quarter estimated tax installments for calendar year 2024 with respect to any CAMT liability). While it does not provide meaningful lead time for a calendar year corporation’s third quarter estimated tax payment due on September 16, 2024 (two business days after the date of the release of the notice), it does provide relief well in advance of the due date for a calendar year corporation’s fourth quarter 2024 estimated tax payment (due on December 15, 2024). While it is likely that many taxpayers have already put in the effort to compute their estimated CAMT tax payments for third quarter 2024 and engaged in cash management planning and/or paid any resulting CAMT estimated liabilities, they have additional relief for fourth quarter estimated tax payments. Taxpayers with January 31 year ends are more benefited by the notice as they have an additional month left to make third quarter 2024 estimated tax payments. Applicable corporations in the retail industry likely also welcome this relief, as retailers with fiscal years ending in January generally have until October 15, 2024, to make their third quarter 2024 estimated tax payments.

In addition to this relief, the IRS has previously announced relief for taxpayers in certain disaster areas located in 17 states, Puerto Rico and the Virgin Islands, providing affected taxpayers with additional time beyond the September 16, 2024, due date to make their third quarter 2024 estimated payments. See the [IRS Tax Relief in Disaster Situations website](#) for details as to affected taxpayers, affected areas, and the applicable deferred third quarter payment due date. As such, the relief provided in Notice 2024-66 appears to

be especially helpful to those applicable corporations with a principal place of business located in affected areas which were previously granted additional time to make third quarter 2024 estimated tax payments (some of which have until February 3, 2025, to pay).

Even if the relief provided in Notice 2024-66 is not timely for all taxpayers' third quarter payments, it still provides relief for fourth quarter 2024 estimated payments and for any applicable corporation that miscalculates its overall estimated 2024 CAMT liability. This relief may be significant and helpful, given that many taxpayers face numerous questions about how to compute their estimated 2024 CAMT liability and these computational challenges are increased by the simultaneously released 604-page CAMT [proposed regulations](#) package, which will take time to digest and apply as applicable. Read [TaxNewsFlash](#)

Additionally, similar to the guidance issued in the prior notices, Notice 2024-66 instructs affected corporations to file Form 2220, *Underpayment of Estimated Tax by Corporations*, with their federal income tax returns to qualify for the relief provided in Notice 2024-66, even if they owe no estimated tax penalty. Failure to file the Form 2220 with an affected taxpayer's 2024 tax return may result in a taxpayer receiving a penalty notice that will require abatement.

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