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## State, Local and International

An update to income and transactional tax news related to the COVID-19 outbreak in this roundup. It will be updated regularly as more information becomes available.

Mar. 23, 2020



Updated daily on the [Avalara Blog](#)

As the new coronavirus (COVID-19) continues to spread globally, governments worldwide are trying to figure out the best way to bolster the slowing economy. In

some countries, that involves tax filing and payment extensions and even temporary

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Global Affairs Richard Asquith has his finger on the pulse of global coronavirus-related tax relief.

## Federal tax relief

On March 20, the Treasury Department moved Tax Day from April 15 to July 15. Treasury Secretary Steven Mnuchin [tweeted](#), “All taxpayers and businesses will have this additional time to file and make payments without interest or penalties.”

[Last week](#), the payment deadline was extended but the filing deadline remained April 15, 2020. Now the filing deadline has been extended, too.

Mnuchin [is encouraging](#) businesses and individuals to file and pay on time if they can. “We encourage those Americans who can file their taxes to continue to file their taxes on April 15, because for many Americans, you will get tax refunds.”

Additional guidance will surely be provided by the IRS. On March 18, it said individuals can defer up to \$1 million of the tax due for 2019. This applies to all individual returns, including self-employed individuals and all entities other than C-corporations. For C-corporations, the extension applies to up to \$10 million of the tax due. The relief applies also to the estimated tax payments for tax year 2020 that are due April 15, 2020.

Additional relief is on the way due to the enactment of the Families First Coronavirus Response Act ([H.R. 6201](#)), which President Trump signed into law on March 18. It includes:

- Emergency food and nutrition assistance
- Emergency paid sick days and leave days
- Emergency paid leave benefits
- Emergency unemployment insurance stabilization and access

- Full federal funding of extended unemployment compensation for a limited period

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households and businesses.”

Additional information:

- [Internal Revenue Service](#) (see also [Disaster Assistance and Emergency Relief Program](#))
- [FEMA COVID-19 Emergency Declaration](#)
- [USA.gov](#)
- [U.S. Department of the Treasury](#)

Meanwhile, individual states are starting to provide state-level relief.

## State tax relief

States are being encouraged to follow IRS guidelines and delay their income tax due dates to July 15.

The following states have announced tax relief for businesses and individuals impacted by COVID-19. Relief may include filing extensions as well as interest and penalty waivers for a host of taxes, including lodging tax and sales and use tax. Click on the links for more details.

### Alabama

ADOR will adopt filing extensions provided by the IRS.

Sales and lodging tax relief. Late payment penalties waived through June 1 for small retail businesses with monthly retail sales averaging \$62,500 or less during the previous calendar year, and taxpayers registered as engaging in NAICS Sector 72 business activities. The relief is automatically extended for businesses that file their February – April 2020 state sales tax returns.

Similar relief may be available to other businesses impacted by COVID-19.

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## ADOR COVID-19 Outbreak Updates

### California

The deadline for state tax filing for affected individuals and businesses is delayed by 60 days (until June 15) per [Gov. Newsom's Executive Order](#) of March 12, 2020.

The filing and payment deadlines for all businesses and individuals is postponed to July 15 for:

- 2019 tax returns and payments
- 2020 first and second quarter estimate payments
- 2020 LLC taxes and fees
- 2020 Non-wage withholding payments.

### California Department of Tax and Fee Administration

### Emergency and Disaster Assistance for Employers

### California Franchise Tax Board

### San Francisco economic relief

### Colorado

Vail has [suspended sales tax collections](#) until future notice.

### Connecticut

Filing deadlines and payments for certain annual tax returns (due between March 15 and June 1, 2020) are extended by at least 30 days. This affects the pass-through

entity tax, unrelated business income tax, and corporation business returns.

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## Business Resources

### Florida

The Florida Department of Revenue will offer flexibility on due dates for taxes, including sales taxes, for affected businesses.

### Hawaii

All due dates unchanged as of March 20, 2020.

## Hawaii Department of Taxation

### Illinois

[Automatic short-term relief](#) from penalties and interest for retailers operating food and drinking establishments that have late sales tax payments due to COVID-19. Applies to businesses with less than \$75,000 in total sales tax liability in calendar year 2019.

Chicago is extending to April 30 the tax payment due dates for amusement tax, bottled water tax, checkout bag tax, hotel accommodation tax, parking tax, and restaurant tax. See [SmallBusinessReliefPackage.pdf](#).

### Indiana

Individual tax returns and payments, along with estimated payments, originally due by April 15, 2020, are now due July 15, 2020. Returns included are the IT-40, IT-40PNR, IT-40RNR, IT-40ES, ES-40 and SC-40.

Corporate tax returns and payments, along with estimated payments originally due by April 15 or April 20 are now due on or before July 15, 2020. Those originally due on

May 15, 2020, are now due on August 17, 2020. Returns included are the IT-20, IT-41,

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withholding returns are now due April 10, 2020.

No late-filing or underpayment penalties will be assessed for qualifying taxpayers who comply with the extended filing and payment deadlines.

## Order 2020-01

### Kansas

State employees have been directed to [stay home](#) on administrative leave for two weeks, starting March 23. A couple of areas within the Department of Revenue will remain operational, with limited staff.

Kansas will follow IRS guidelines and give taxpayers until July 15, 2020 to pay their income taxes. Returns will be due June 15, 2020.

### Louisiana

Affected businesses have until May 20 to file and pay sales and excise taxes due March 20. This is an [automatic extension](#).

### Maryland

Certain tax filing deadlines have been [extended](#) to June 1, 2020: admissions and amusement tax; sales and use tax; withholding tax; alcohol, motor fuel, and tobacco excise taxes; and tire recycling and bay restoration fees. Interest and penalties will be waived for businesses that file by June 1.

Email [taxpayerrelief@marylandtaxes.gov](mailto:taxpayerrelief@marylandtaxes.gov) or call 410-260-4020 to discuss options.

### Massachusetts

Eligible taxpayers will automatically receive at least six extra months to file tax

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## Michigan

Any return or payment of sales, use, and withholding tax due March 20, 2020, may be submitted to the Department without penalty or interest through April 20, 2020.

[Notice: Penalty and Interest Waived for 30 Days](#)

## Minnesota

30-day grace period for businesses identified in [Executive Order 20-04](#). The department will [not assess penalties or interest](#) on sales and use tax payments due March 20, provided they're remitted by April 20, 2020.

## Montana

The Collections Bureau may allow deferral of payments for up to one month at a time. It's assessing situations on a case-by-case basis. As of March 18, the department isn't cancelling payment plans. Contact the Collections Bureau at least one week prior to a payment due date.

[Questions on Payment Plans](#)

## Nevada

All Taxation offices are closed to the public until further notice.

[Nevada Tax Department](#)

## New Hampshire



Unemployment benefits will be made “immediately available” to individuals who

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withholding tax returns and payments submitted by July 25, 2020. Interest is not waived.

## [B-100.35 -Tax Relief for COVID-19 \(Extension\).pdf](#)

### **New York**

Gov. Cuomo [says](#) the NY income tax filing and payment deadline will match the IRS deadline.

New York City taxpayers may request a waiver of penalties on late-filed extensions or returns of business and excise taxes due March 16 – April 25. Interest must be paid on all tax payments due after the original due date. [fm-20-2.pdf](#)

### **North Carolina**

Late Action Penalties will be waived for taxpayers affected by COVID-19 who fail to timely obtain a license, file a return, or pay taxes due between March 15 and March 31, 2020. To qualify, taxpayers must obtain the license, file the return or extension application, or pay the tax by April 15, 2020. Complete [Form NC-5500](#) to request the penalty waiver.

## [NCDOR Penalty Relief](#)

## [NCDOR Actions on COVID-19](#)

### **Oklahoma**

The due date for Oklahoma income taxes is extended to July 15, 2020. Individual and other non-corporate filers may defer up to \$1 million of income tax due without penalties or interest; corporate taxpayers may defer up to \$10 million.



Due dates for other tax types, including sales and withholding taxes, [remain the](#)

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Tax report due dates for the February 2020 monthly fuel tax reports are [extended by two weeks](#).

The department may extend any statutory period of limitation on any tax if taxpayers (or the state) are unable to take timely action due a state-declared emergency or action by the IRS.

## [Oregon Department of Revenue COVID-19 tax relief options](#)

### **Pennsylvania**

All DOR offices and call centers are closed. Contact the department through the Online Customer Service Center: [revenue-pa.custhelp.com](https://revenue-pa.custhelp.com)

## [Pennsylvania Department of Revenue](#)

### **Puerto Rico**

The Puerto Rico Treasury Department (PRTD) is providing filing and payment extensions for income tax, sales and use tax, and other taxes.

Certain products helpful in combatting COVID-19 are temporarily [exempt from sales and use tax](#).

## [Tax measures related to coronavirus](#)

### **Rhode Island**

Filing and payment due dates are not extended as of March 20, but the Rhode Island Division of Taxation says taxpayers have “the express right to request that penalties

by abated where there was no negligence or intentional disregard of the law.”

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payments, taxpayers don't need to take additional action.

**Charleston** has suspended collection of hospitality and accommodations taxes for 90 days.

**SCDOR offers more time to file returns and pay taxes due**

## **South Dakota**

All DOR offices are closed until March 23, 2020. Staff is available at 800-829-9188 or via chat.

## **SDDOR**

## **Texas**

On March 17, the Texas Comptroller urged businesses to file and pay sales taxes on time (March 20).

## **Virginia**

For income tax payments due April 1 – June 1, late payment penalties will automatically be waived so long as full payment is made by June 1. Interest will continue to accrue from the original due date. This does not provide a filing extension. [Additional details.](#)

Businesses may request an extension of the due date for filing and payment of February 20 sales tax returns due March 20. If granted, the Department will waive penalties for returns filed and taxes paid by April 20. [Interest will not be waived.](#)

The Department will consider requests for sales tax filing and payment extensions on a case-by-case basis. [Additional details.](#)

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to the COVID-19 outbreak. Tax deferrals for biotechnology and medical device manufacturing are also available. Businesses can request an extension or penalty waiver by sending a secure email in their My DOR account or by calling 360-705-6705.

The DOR will delay scheduling many audits and provide flexibility for audits already in progress.

The City of Seattle is deferring B&O tax collections for eligible businesses and offering immediate relief for small businesses impacted by COVID-19.

[Washington Department of Revenue COVID-19 update](#)

[City of Seattle Initial Recovery Package](#)

[City of Seattle Small Business Support](#)

[City of Seattle Press Releases](#)

**Washington, D.C.**

Interest and late payment penalties of sales and use taxes will automatically be waived for periods ending February 29 and March 31 for all businesses (except hotels and motels), provided payment is made in full by July 20, 2020.

Deadlines for corporate tax filings, professional licenses, etc. have been extended from April 15 to April 30.

[OTR Announces Important Filing and Deadline Extensions](#)

**Other updates**

Tax departments around the country are closing in-person operations or

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