

Checkpoint Contents

State Tax Library

State Tax Updates

State Tax Update

2020

March

Week of March 16

Articles

[Tax Relief Offered by States and Localities in Response to COVID-19 \(03/18/2020\)](#)

Tax Relief Offered by States and Localities in Response to COVID-19

by Thomson Reuters State & Local Tax Editorial

State and local tax and revenue departments are responding to the novel coronavirus, COVID-19, with the relief discussed below.

Alabama. The Alabama Department of Revenue has announced that the March 2020 motor vehicle registration and vehicle property tax payment deadlines have been extended through April 15, 2020 for registrants across the state unable to register or renew their motor vehicle registrations or pay property taxes on their motor vehicle because of the state of emergency resulting from the potential spread of the coronavirus named COVID-19. The extension includes the registration of vehicles purchased where the 20-day registration requirements falls during the period of March 17, 2020 through April 15, 2020. Penalty charges associated with motor vehicle property tax payments and motor vehicle registrations and renewals extended through April 15, 2020 will not be charged until April 16, 2020. The extension also applies to motor vehicle registrations and renewals for vehicles registered pursuant to the International Registration Plan (IRP). ([Order of the Commr. of Rev., Ala. Dept. Rev., 03/16/2020](#) .)

Because there is a state of emergency resulting from the potential spread of the COVID-19 virus, the Commissioner of the Alabama Department of Revenue has announced that the Department will temporarily suspend the requirements associated with the International Registration Plan (IRP) and the International Fuel Tax Agreement (IFTA) for any motor vehicle engaged in interstate emergency relief efforts which will be traveling through the State of Alabama as part of the emergency relief. The temporary suspension is effective for 30 days from the date of the commissioner's order, i.e., until April 15, 2020. ([Order of the Commissioner, Ala. Dept. of Rev., 03/16/2020](#) .)

California. The California Employment Development Department (EDD) has announced that employers statewide directly affected by the new coronavirus (COVID-19) may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit payroll taxes without penalty or

interest. A written request for an extension must be received within 60 days from the original delinquent date of the payment or return. (Emergency and Disaster Assistance for Employers, Statewide - March 2020, California Employment Development Department, 03/01/2020.)

Governor Gavin Newsom issued on March 12, 2020, an executive order regarding California's response to the COVID-19 pandemic. The executive order, which is effective immediately, orders, among other things, that: (1) to quickly provide relief from penalties and interest, the provisions of the Revenue and Taxation Code that apply to the taxes and fees administered by the California Department of Tax and Fee Administration (CDTFA), requiring the filing of a statement under penalty of perjury setting forth the facts for a claim for relief, are suspended for a period of 60 days after the date of the order for any individuals or businesses who are unable to file a timely return or make a timely payment as a result of complying with state or local public health officials imposition or recommendation of social distancing measures related to COVID-19; and (2) the Franchise Tax Board (FTB), the State Board of Equalization (SBE), the CDTFA, and the Office of Tax Appeals (OTA) shall use their administrative powers where appropriate to provide those individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19 with the extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest. (**Executive Order N-25-20, Executive Department, State of California, 03/12/2020** .)

During the 60-day window specified in Governor Newsom's executive order on the coronavirus (see previous paragraph), the CDTFA has posted on its website an alert in which it advises that it has been able to make it easier for such taxpayers and fee payers to request relief from the imposition of interest and penalties. They can go through the CDTFA's **normal online process** for requesting relief, they can send a letter (a link to the **CDTFA's office locations and addresses** is provided), or they can call the CDTFA's call center at 1-800-400-7115. (**Alert, California Department of Tax and Fee Administration, 03/12/2020** .)

The California Franchise Tax Board (FTB) has announced (1) special tax relief for California taxpayers affected by the COVID-19 pandemic and (2) has answered frequently asked questions (FAQs) related to that relief. Regarding (1), affected taxpayers are granted an extension to file 2019 California tax returns and make certain payments until June 15, 2020, in line with Governor Newsom's March 12 Executive Order. This relief includes moving the various tax filing and payment deadlines that occur on March 15, 2020, through June 15, 2020, to June 15, 2020, and includes the following: (a) partnerships and limited liability companies (LLCs) that are taxed as partnerships whose tax returns are due on March 15 now have a 90-day extension to file and pay by June 15; (b) individual filers whose tax returns are due on April 15 now have a 60-day extension to file and pay by June 15; and (c) quarterly estimated tax payments due on April 15 now have a 60-day extension to pay by June 15. The FTB's June 15 extended due date may be pushed back even further if the Internal Revenue Service (IRS) grants a longer relief period. Taxpayers claiming the special COVID-19 relief should write the name of the state of emergency (for example, COVID-19) in black ink at the top of the tax return, and if they are e-filing, they should follow the software instructions to enter disaster information. The FTB also will waive interest and any

late filing or late payment penalties that would otherwise apply. Regarding (2), the FTB has answered the followings FAQs: (a) What business entities qualify for the June 15, 2020, extended deadline to file and pay taxes? (b) How does the FTB define who is "affected by the COVID-19 pandemic"? (c) How would those affected by it demonstrate they are affected by it? ([California FTB News Release No. 03/13/2020, 03/13/2020](#) ; [COVID-19 Frequently Asked Questions, California Franchise Tax Board, 03/15/2020](#) .)

The California Department of Tax and Fee Administration (CDTFA) has done the following: (1) created a COVID-19 state of emergency webpage; and (2) added COVID-19 to the list of disasters for which state of emergency tax or fee relief is available. Regarding (1), on March 12, 2020, Governor Newsom issued an Executive Order in response to the COVID-19 State of Emergency. Pursuant to this Executive Order, through May 11, 2020, the CDTFA has the authority to assist individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19. This assistance includes granting extensions for filing returns and making payments, relief from interest and penalties, and filing a claim for refund. Taxpayers may request assistance by contacting the CDTFA through its [online services](#) , by sending a letter, by email, or by phone. Regarding (2), the CDTFA's emergency tax or fee relief is available for business owners and fee payers directly affected by disasters declared as state of emergencies over the past three years, may include extension of tax return due dates, relief of penalty and interest, or replacement copies of records lost due to disasters. An extension of up to three months to file and pay taxes is available in 32 of the programs administered by the CDTFA (including sales and use tax, various fuel taxes, and cigarette and tobacco products taxes) for taxpayers directly affected by COVID-19 who, as a result, cannot meet their filing and payment deadlines. Affected taxpayers may apply online for relief from penalties and interest and request online a filing extension. Business owners and fee payers who need to obtain copies of CDTFA tax records will be able to receive replacements free of charge. ([COVID-19 State of Emergency Webpage, California Department of Tax and Fee Administration, 03/13/2020](#) ; [State of Emergency Tax Relief Webpage, California Department of Tax and Fee Administration, 03/13/2020](#) .)

In response to COVID-19, San Francisco Mayor London Breed has announced various measures to support small businesses, including a deferral of business taxes. In order to provide immediate cash-flow assistance to small businesses, the mayor will be working with Treasurer Jose Cisneros to notify them that the next round of quarterly businesses taxes can be deferred. Businesses are required to pre-pay their first quarter business taxes for the current tax year by April 30, 2020. This announcement will allow businesses to not pre-pay, deferring payment due to February 2021. No interest payments, fees, or fines will accrue as a result of the deferral. This benefit will be offered to business with up to \$10 million in gross receipts. ([News Release, Office of the San Francisco Mayor, 03/11/2020](#) .)

Connecticut. The Connecticut Department of Revenue Services (DRS) is granting automatic extensions of Connecticut filing deadlines for certain annual tax returns due on or after March 15, 2020 in order to support businesses during the COVID-19 outbreak effective immediately. The extensions

impact the corporation business tax return, the pass-through entity tax return and the unrelated business income tax return. Individuals in the process of preparing their Connecticut income tax returns (Form CT-1040) due April 15, 2020 are advised that DRS will adjust due dates for filing and payment of state income taxes to align with any specific, actionable announcement from the Internal Revenue Service regarding due dates for the filing and payment of federal income taxes. Effective immediately, the filing deadlines for various annual tax returns due on or after March 15, 2020, and before June 1, 2020, are extended by at least 30 days. In addition, the payments associated with these returns are also extended to the corresponding due date in June. The filing date for the 2019 Form CT-1120 and CT-1120CU Connecticut corporation business tax return is extended to June 15, 2020 and the payment deadline is extended to June 15, 2020. The filing date for the 2019 Form CT-1065/CT-1120 SI Connecticut pass-through entity tax return is extended to April 15, 2020 and the payment deadline is extended to June 15, 2020. The filing date for the 2019 Form CT-990T Connecticut unrelated business income tax return is extended to June 15, 2020, while the payment deadline is extended until June 15, 2020. ([DRS Extends Filing Deadline for Certain Annual State Business Tax Returns, 03/16/2020.](#))

Maryland. Maryland Comptroller Peter Franchot announced that business-related tax filing deadlines are extended to June 1, 2020. The extension is intended to assist businesses affected by the economic impact of COVID-19. The extension applies to certain business returns with due dates during the months of March, April, and May 2020 for businesses filing the following returns: sales and use tax; withholding tax; admissions and amusement tax; alcohol tax; tobacco tax; motor fuel excise tax; tire recycling fee; and the bay restoration fee. Business taxpayers who file and pay by the extended due date will receive a waiver of interest and penalties. However, filing due dates for Maryland corporate and individual income tax returns will be extended if the IRS extends its April 15, 2020 filing deadline. Businesses with extension-related questions can call the Comptroller's Ombudsman at (410) 260-4020, or send an email to taxpayerrelief@marylandtaxes.gov. ([News Release, Maryland Comptroller's Office, 03/11/2020](#) .)

Minnesota. The Department Minnesota Department of Revenue has announced that the income tax deadline has not changed. At this time, federal and Minnesota individual income tax returns are due April 15, 2020. The Department is monitoring actions by the Internal Revenue Service and will update this information as necessary. If COVID-19 impacts the ability of a taxpayer to file and pay his or her taxes on time, Minnesota law allows taxpayers to request an abatement of any penalty or interest imposed for failing to timely file a return or failing to timely pay a tax for good cause. If a taxpayer is unable to file and pay on time because of COVID-19 illness or related situation, the taxpayer should contact the Department. ([Our Response to COVID-19, Minn. Dept. Rev., 03/16/2020](#) .)

Oregon. The Oregon Department of Revenue has provided guidance on the tax relief it is offering taxpayers due to the COVID-19 pandemic. With regard to the corporate activity tax (CAT), since the pandemic may impact commercial activity to an extent that makes it difficult for businesses to estimate their first CAT payment, due April 30, 2020, the Department will not assess underpayment penalties on taxpayers making a good faith effort to estimate their first quarter payments. With regard to the personal income tax, at this time, taxpayers may file federal filing extension Form 4868 before the due date with the IRS and Oregon will automatically grant a filing extension for the Oregon return; these extensions

are not extended to payment due dates. If the IRS declares the April 15 due date extended due to the COVID-19 pandemic, Oregon will automatically connect to those dates for personal income tax filers. The Department may waive penalties for late payment if the delinquency is due to a circumstance beyond the taxpayer's control. Estimated payment due dates for personal income tax are not extended in Oregon, but interest will not be imposed on an underpayment of estimated tax if the Department determines that by reason of casualty, disaster or other unusual circumstances the imposition of interest would be against equity and good conscience. With regard to other tax programs administered by the Department, if an action of the IRS or a state-declared emergency will impair the ability of either Oregon taxpayers or the state to take action required within the time required by law, the Department may extend any statutory period of limitation on any tax that it collects. If the Department makes such a decision, an order will be issued and announced, and filed with the Secretary of State. ([COVID-19 Tax Relief Options, Or. Dept. Rev., 03/13/2020](#) .)