



NCDOR

NORTH
CAROLINA
DEPARTMENT
OF REVENUE

March 19, 2020

Important Notice: Department of Revenue Provides Special Penalty Relief

On March 18, 2020, the United States Treasury Department and the Internal Revenue Service (the “IRS”) announced [special payment relief](#) to individuals and businesses in response to the COVID-19 Outbreak. Although the IRS extended payment deadlines, it did not extend filing deadlines. In response to the federal payment relief, the Department of Revenue (“Department”) will not impose a penalty upon individuals and businesses (“taxpayers”) who do not pay their outstanding State income tax liability on tax returns due on April 15, 2020, so long as the taxpayers pay the tax due by July 15, 2020.

North Carolina Tax Penalty Relief

For State income tax returns due on April 15, 2020, the Department will not impose the penalty for failure to pay tax when due ([N.C. Gen. Stat. § 105-236\(4\)](#)) upon taxpayers, if the income tax is paid by July 15, 2020. Importantly, in accordance with the IRS’ action, the original due date for filing the State income tax return remains April 15, 2020.

If you cannot file your State income tax return by April 15, 2020, you must file a request for extension with the IRS or with the Department on or before April 15, 2020. For more information on requesting an extension, see the [Department’s Important Notice dated February 24, 2020](#). Without a valid extension, an income tax return received after April 15, 2020, is late and is subject to the penalty for failure to file the return on the date it is due ([N.C. Gen. Stat. 236\(a\)\(3\)](#)).

State law prevents the Department from waiving any interest, including interest assessed for the underpayment of estimated tax, except in limited cases. See [N.C. Gen. Stat. § 105-237\(a\)](#). As such, if you owe additional tax, the Department is required to charge interest on any unpaid tax, accruing from April 15, 2020, until the tax is paid.

In addition to the relief granted in this notice, the Secretary of Revenue may waive or reduce any penalties provided for in Subchapter 1 of Chapter 105. See [N.C. Gen. Stat. § 105-237\(a\)](#). A taxpayer seeking waiver of penalties not covered by this notice should

review the [Department's Penalty Policy](#) and complete [Form NC-5500](#), Request to Waive Penalties ("NC-5500").

Questions

This Important Notice will be updated as new information becomes available. If you have any questions about this notice, you may call 1-877-252-3052 to speak to a customer service representative or write to Customer Service, PO Box 1168, Raleigh, NC 27602.

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