



PRESS RELEASE

For Immediate Distribution

March 30, 2020

NH Department of Revenue Offers Relief for Business, Interest & Dividends Taxes

Relief allows 98% of taxpayers to file and pay for tax year 2019 by June 15th without penalties or interest; Safe harbors created to ease complications associated with federal tax day extension

Concord, NH – In response to conditions caused by the COVID-19 pandemic, the New Hampshire Department of Revenue Administration (NHDRA) will grant automatic relief to Business Profits Tax (BPT), Business Enterprise Tax (BET) and Interest & Dividends Tax (I&D) taxpayers in the form of payment relief and expansion of automatic filing extensions and penalty safe harbors. Details of the relief are outlined in a Technical Information Release issued by NHDRA on March 30, which can be viewed at www.revenue.nh.gov/tirs/documents/2020-001.pdf.

What is the payment relief and who qualifies?

Relief is available for certain BPT, BET and I&D taxpayers who are impacted by the COVID-19 pandemic and unable to pay the amount due on April 15, 2020. Those qualifying taxpayers will have until June 15, 2020 to remit payment without typical penalties and interest. This extended due date is in addition to the expansion of the qualifications for the automatic extension and the estimate payment safe harbor.

Taxpayers who qualify for this specific relief are Business Tax taxpayers who owed \$50,000 or less in taxes (total BPT and BET tax liability) for tax year 2018 and I&D taxpayers who owed \$10,000 or less in taxes for tax year 2018. These thresholds account for 98 percent of all BPT, BET and I&D taxpayers.

What do I need to pay on April 15th (or June 15th, if applicable) to qualify for extensions and safe harbors?

Filing Extension

Under current law, if 2019 BPT, BET, and I&D taxes were paid in full by April 15th, taxpayers are entitled to an automatic seven-month extension to file their return without incurring a failure to file penalty.

Since the IRS extended the federal tax filing deadline for tax year 2019 to July 15, 2020, BPT, BET and I&D taxpayers may have trouble accurately calculating the final amount of taxes owed to New Hampshire, meaning they may not have paid in full by April 15th, deeming them ineligible for the traditional automatic seven-month filing extension.

To provide relief for those faced with this scenario, BPT, BET and I&D taxpayers who have paid at least the amount they owed for the 2018 tax year by April 15, 2020, will not be subject to any penalties or interest, so long as they file their returns and pay tax year 2019 in full within the automatic seven-month extension, by November 15, 2020.

Estimate Safe Harbor

Tax year 2020 quarterly estimated tax payments are also due on April 15, 2020 for BPT, BET, and I&D Taxpayers. Normally, a failure to make quarterly estimated tax payments in the appropriate amount would result in underpayment penalties at the time the return is filed. Existing safe harbors will be expanded to allow for no penalties due to the underpayment of estimates if 2020 quarterly payments total 100 percent of what was owed in tax year 2018, with at least 25 percent due in each quarter. Taxpayers may also elect to continue using existing acceptable methods to calculate their quarterly estimated payments, such as annualizing their income or using their tax year 2019 liability, if known.

What does it mean when the payment relief is combined with the extensions and safe harbors?

The chart below breaks down the deadlines and thresholds under NHDRA's COVID-19 relief program.

BPT and BET Taxes

	2020 Estimates Based on quarterly payments of 2018 <u>or</u> 2019 taxes	2019 Return or Extension Payment Based on 100% of 2018 <u>or</u> 2019 taxes owed	Return Filing Due on Extension
2018 taxes owed less than or equal to \$50,000	1 st Quarter – June 15 2 nd Quarter – June 15	June 15	November 15
2018 taxes owed greater than \$50,000	1 st Quarter – April 15 2 nd Quarter – June 15	April 15	November 15

I&D Tax

	2020 Estimates Based on quarterly payments of 2018 <u>or</u> 2019 taxes	2019 Return or Extension Payment Based on 100% of 2018 <u>or</u> 2019 taxes owed	Return Filing Due on Extension
2018 taxes owed less than or equal to \$10,000	1 st Quarter – June 15 2 nd Quarter – June 15	June 15	November 15
2018 taxes owed greater than \$10,000	1 st Quarter – April 15 2 nd Quarter – June 15	April 15	November 15

“This relief expands the circumstances typically required for taxpayers to qualify for an automatic filing extension, and protects taxpayers from penalties and interest they may have otherwise faced from complications associated with the July 15 federal due date,” said NHDRA Commissioner Lindsey Stepp. “We sympathize with taxpayers during this uncertain time and anticipate this relief will help put them at ease as we all continue to navigate this rapidly changing situation.”

NHDRA's Taxpayer Services Division is available to answer all filing questions. Contact the Taxpayer Services Division by phone at (603) 230-5000 (select option 2), Monday through Friday, 8:00 am to 4:30 pm. Although extra staff will be on standby to assist with taxpayer inquiries, taxpayers could experience longer than usual wait times on phones.

About the New Hampshire Department of Revenue Administration

The New Hampshire Department of Revenue Administration (NHDRA) is responsible for fairly and efficiently administering the tax laws of the State of New Hampshire. NHDRA collects approximately 80% of New Hampshire's general taxes. During Fiscal Year 2019, NHDRA collected \$2.15 billion in taxes, most of which went to the New Hampshire General Fund and Education Trust Fund. NHDRA also provides assistance to municipalities in budgeting, finance and real estate appraisal.

NHDRA administers and collects the following taxes at the state level: Business Enterprise Tax, Business Profits Tax, Communications Services Tax, Interest and Dividends Tax, Meals and Rooms Tax, Medicaid Enhancement Tax, Nursing Facility Quality Assessment, Tobacco Tax, Taxation of Railroads, Utility Property Tax, Real Estate Transfer Tax; and the following taxes at the local level: Property Tax, Excavation Tax, Timber Tax. To learn more about NHDRA, please visit www.revenue.nh.gov.

###