

State Tax Observations

More States Update Guidance on Income, Sales and Other Tax Deadline Extensions

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This article is part of a continuing series updating our clients regarding the effects on state tax filings due to COVID-19. We recently addressed the tax filing deadline extensions of 12 states [here](#).

We continue to address updates and new developments regarding the tax filing deadline extensions for the following states and the District of Columbia:

Northeast Region	Other
New Hampshire	California
New Jersey	District of Columbia
Pennsylvania	Michigan
Vermont	Ohio
	Texas

Northeast Region

In the region, the developments as of April 5, 2020 are as follows:

New Hampshire

On March 30th, the New Hampshire Department of Revenue Administration (Department) has stated it will not extend the filing and payment due dates for Business Tax and Interest & Dividends Tax. However, the Department will not assess any applicable interest or penalties against taxpayers who file their returns and pay any remaining balance due within the automatic 7-month extension, if by April 15th, they pay in an amount no less than their total 2018 tax year tax liability. Moreover, taxpayers must file extensions in accordance with the normal procedures.

The Department also announced that affected calendar year taxpayers who pay 2020 estimated tax payments equal to either their 2018 or 2019 tax liability will not incur any underpayment of estimated tax penalties if their 2020 liability ultimately exceeds the amount paid.

Lastly, the Department announced that it will offer additional relief from applicable interest and penalties for certain impacted qualifying Business Tax and Interest & Dividends Tax taxpayers who are unable to pay an amount due on April 15th. To qualify, any remaining unpaid balance must be made by June 15th. In addition, to qualify, Business Tax taxpayers must have had a 2018 tax liability of \$50,000 or less. Interest & Dividends taxpayers must have had a 2018 tax liability of \$70,000 or less.

New Jersey

On April 1st, Governor Murphy, Senate President Steve Sweeney and Assembly Speaker Craig Coughlin issued a joint statement stating the filing and payment deadlines have been extended from April 15th to July 15th for both corporate and business tax returns. There will be a waiver of penalties but no waiver of interest.

Pennsylvania

Governor Wolf recently signed into law Act 10 of 2020, which not only extended the filing and payment deadlines to July 15th for personal income taxes, it also extends to the same date the filing of information returns related to Pennsylvania S corporations, partnerships and estates and trusts. The law also extended the due date of certain personal income tax returns and payments. The Department of Revenue also announced it is extending the due date for corporations with tax returns due in May to August 14th.

In addition, on April 2nd, the Pennsylvania Department of Revenue (Department) announced that for calendar year corporations, the filing and payment deadlines have been extended from April 15th to July 15th. As a result, the due date for corporations with Pennsylvania returns and payments due on May 15th is now August 14th. There is no extension for the June 15th estimated payment due date for corporations.

Lastly, the Department announced an extension of the due date for non-resident withholding and partnership corporate net income tax withholding payments to July 15th.

Vermont

On March 23th, the Vermont Commissioner of Taxes announced that income tax filing due dates for personal income tax, corporate income tax, and fiduciary income tax have been extended from April 15th to July 15th including 2020 estimated payments that were due for these taxes on April 15th. The deadline for Homestead Declaration and Property Tax credit claims has also been extended to July 15th.

Other States and District of Columbia

California

On April 2nd, Governor Newsom announced that effective that date, business taxpayers with less than \$5 million in annual taxable sales can take advantage of a 12-month interest free payment plan for up to \$50,000 of Sales and Use tax. The first payment would be due July 1st. This is in addition to the earlier relief previously announced

On March 30th, the Governor issued an Executive Order (Order) that states that businesses that owe California less than \$1 million in quarterly Sales and Use tax have until July 31th to file returns and pay tax for the first quarter of 2020 without the requirement to file an extension. The extension to July 31st applies to first quarter Sales and Use tax returns and payments due April 30th, and to second quarter pre-payments due in May and June.

The new Order also extends by 60 days the deadlines to file refund claims with the Sales Tax Department or to file an appeal of a department assessment with the Office of Tax Appeals. Those extensions are in effect through July 31st.

The Department of Tax and Fee Administration stated it has also put most collections and audit activities on hold but is prioritizing audits that include refunds to taxpayers.

District of Columbia

On March 23th, the District of Columbia announced an extension of the filing and payment deadlines until July 15th for individual, fiduciary, partnership and franchise tax returns. The extension does not include first or second quarter 2020 estimates.

On March 20th, the D.C. Office of Tax & Revenue (OTR) announced it will automatically waive interest and late payment penalties of Sales and Use taxes for all businesses (except hotels and motels) for periods ending on February 29th and March 31st, provided that payment of all taxes due for these periods are paid in full by July 20th. All businesses must continue to timely file their monthly and quarterly Sales and Use tax returns through OTR's online portal to receive this benefit.

Michigan

On March 27th, Michigan Governor Whitmer issued an Executive Order announcing that the deadline for annual state income tax returns or payments otherwise due on April 15th will instead be due on July 15th. The order also announced that an annual state income tax return or payment due on April 30th will be due on July 31st. The Order also extends the deadline to file the city of Detroit income tax return to July 15th. Other state of Michigan cities with income taxes due April 15th are now due July 15th. Cities with income taxes due on April 30th will now be due July 31st.

On March 27th, the Michigan Department of Treasury (Department) announced that it is waiving penalty and interest for the late payment or the late filing of returns for sales, use, and withholding taxes due on March 20th. The waiver will be effective for a period of 30 days. Therefore, any return or payment currently due on March 20th may be submitted to the Department without penalty or interest through April 20th.

In addition, the Department is offering collections assistance to newly unemployed Michiganders currently paying on past-due state tax debts or other state debts.

Ohio

On March 27th, the Ohio Tax Commissioner announced that the deadline to file and pay the state income tax is July 15th. The filing extension and waiver of penalty and interest will be available to those filing the Ohio individual income tax, the school district income tax, the pass-through entity tax, and to those taxpayers that have opted in to have the Commissioner administer the municipal Net Profit Tax through the state's centralized filing system.

Individuals, estates, trusts and certain businesses making quarterly estimated income tax payments have also been granted additional time to file and pay without penalty or interest. The first and second quarterly payments, normally scheduled for April 15th and June 15th for most taxpayers, have been extended to July 15th.

Texas

On April 2nd, the Texas Comptroller of Public Accounts (Comptroller) announced that the deadline for filing 2020 franchise tax reports for all taxpayers has automatically been extended to July 15th.

In addition, non-electronic funds transfer (non-EFT) franchise taxpayers that cannot file by July 15th may file an extension request on or before that date. However, 90% of the tax due for the current year, or 100 percent of the tax reported as due for the prior year, must be paid with this request. This will extend the filing and remaining payment deadline to January 15, 2021. If the extension request does not meet the payment requirements when the report is filed, penalty and interest will apply to any part of the 90% of the tax not paid by July 15th and to any part of the 10% of the tax not paid by January 15, 2021.

Lastly, on or before July 15th, mandatory EFT franchise taxpayers may request an extension of time to file to August 15th. However, 90% of the tax due for the current year or 100% of the tax reported as due for the prior year must be paid with the extension request. On or before August 15th, EFT franchise taxpayers may request a second extension to file by January 15, 2021. However, the remainder of any tax due must be paid with this extension request. Payments made after August 15th will be subject to penalty and interest.

Contact Us

PKF O'Connor Davies is monitoring the situation with the states. If you have any questions regarding state tax deadlines, or state taxes generally, contact:

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