
STATE-BY-STATE RESPONSE TO COVID-19 (AS OF MARCH 30, 2021)

ALABAMA

The filing due date has been extended from April 15, 2020, to July 15, 2020, for individual income tax, corporate income tax, financial institution excise tax (FIET), and business privilege tax (BPT). Taxpayers can also defer individual, corporate, FIET, and BPT tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers. (Release, Office of the Governor, State of Alabama, 03/23/2020; Order of the Commissioner of Revenue, 03/23/2020.)

Small businesses whose monthly retail sales during the previous calendar year averaged \$62,500 or less may file their monthly sales tax returns for the February, March, and April 2020 reporting periods without paying the state sales tax reported as due. Late payment penalties will be waived for these taxpayers through June 1, 2020. (Notice, Ala. Dept. of Rev., 03/18/2020; Ala. Commr. Order, Ala. Dept. of Rev., 03/18/2020.)

During the federally declared period of emergency, Alabama will not change income tax withholding requirements based on an employee's temporary telework location within Alabama. The temporary telework location must be necessitated by the pandemic and federal or state measures to control its spread. Also, Alabama will not consider temporary changes in an employee's work location while temporary telework requirements are in place due to the pandemic to impose nexus or alter the apportionment of income for any business. (ADOR Operational Updates Due to COVID-19, Ala. Dept. of Rev., 05/12/2020.)

ALASKA

For all taxes administered by the Department of Revenue Tax Division, except for Oil and Gas Production taxes, tax returns and payments that would otherwise be due March 31, 2020, are extended until July 15, 2020. All other tax types administered by the Tax Division and Charitable Gaming will have their deadlines extended until July 15, 2020. This extension will apply to returns (including amended and information returns), reports, and payments due between April 10, 2020 (or sooner if the bill is signed sooner), and July 14, 2020. Because the tax deadlines are extended, penalty or interest will be not be assessed if returns and payments are received for the affected periods on or before July 15, 2020. (Alert, Alaska Department of Revenue, 03/31/2020; Ch. 10 (S.B. 241), Laws 2020, effective 04/10/2020.)

ARIZONA

The deadline for filing and paying state income taxes has been extended to July 15. Late-filing and late-payment penalties will not be assessed. The deadline for first quarter 2020 estimated tax payments remains April 15, 2020.

Taxpayers who need more time beyond July 15 to file state income tax should consider filing for an extension by submitting Arizona Form 204 by July 15. Taxpayers do not need to submit Arizona Form 204 if they already received a federal extension form the IRS. The deadline for submitting Arizona Forms 140ET and 140PTC has also been extended to July 15. (Arizona General Tax Notice GTN 20-1, 3/24/2020 (revised 04/01/2020).)

ARKANSAS

The April 15, 2020, deadline for return filing and payments is extended to July 15, 2020, for the following 2019 returns: individual income; S corporations; fiduciary and estates; partnership income; and composite returns. Any estimated taxes and corporate income taxes are not included in the extension relief. Additionally, no extension is provided for the payment or deposit of any other type of Arkansas state tax. The federal stimulus payments are not considered taxable income for state personal income tax purposes. (COVID-19 News Release, Arkansas Department of Taxation and Finance, 03/27/2020; COVID-19 FAQs, Arkansas Department of Finance and Administration, 04/2020.)

Receipt of a grant under the Arkansas Ready for Business Program is subject to Arkansas individual or corporate income tax because the grant constitutes net income of the individual or business. However, a taxpayer may deduct the cost of an eligible expenditure under the grant program if the expenditure otherwise qualifies as an ordinary and necessary business expense under Arkansas state income tax law. (COVID-19: DFA Frequently Asked Questions, Arkansas Department of Finance and Administration, 09/18/2020.)

Enacted Arkansas legislation creates an exclusion from gross income for unemployment compensation benefits paid from federal unemployment funds for calendar years 2020 and 2021; and unemployment insurance benefits paid under Title IV of the Social Security Act for calendar years 2020 and 2021. (Act 154 (S.B. 236), Laws 2021, effective 03/01/2021.)

Arkansas has enacted legislation that excludes from gross income forgiven loans, payments, and expenses related to COVID-19 relief programs. This includes PPP loan forgiveness, SBA EIDL grants, and Coronavirus Food Assistance Program payments. Taxpayers may also deduct otherwise allowable expenses incurred using these forgiven payments. (Act 248 (H.B. 1361), Laws 2021, for tax years beginning on or after 01/01/2019.)

Enacted Arkansas legislation permits recipients of unemployment compensation or unemployment insurance benefits to elect to have state income taxes withheld from such payments. (Act 283 (H.B. 1049), Laws 2021, effective 90 days after adjournment of the 2021 Legislature.)

CALIFORNIA

The FTB is postponing until July 15, 2020, the filing and payment deadlines for all individuals and business entities for the following: (1) 2019 tax returns; (2) 2019 tax return payments; (3) 2020 first and second quarter estimate payments; (4) 2020 LLC taxes and fees; and (5) 2020 non-wage withholding payments. To give taxpayers a deadline consistent with the IRS without the federal dollar limitations, the FTB is following the federal relief described in IRS Notice 2020-17. (California FTB News Release No. 03/18/2020, 03/18/2020; COVID-19 - Extensions to file and pay, 2019 taxable year, California Franchise Tax Board, 03/18/2020.)

Economic impact payments and the emergency increase in unemployment compensation benefits under the CARES Act are not subject to California income tax. California conforms to the federal waiver of early withdrawal penalties for distributions from qualified retirement accounts under the CARES Act. The FTB has released a COVID-19 FAQs page: www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html (Tax News Flash, California Franchise Tax Board, 04/08/2020.)

The CDTFA is providing extensions for filing returns and making payments, relief from interest and penalties, and filing a claim for refund for sales and use taxes and other taxes administered by the CDTFA. The extensions are available through May 11, 2020. (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.)

The CDTFA will offer a 90-day extension for returns and payments for all businesses filing a return for less than \$1 million in taxes. This relief is effective December 14, 2020, and remains in effect through the reporting of taxes or fees due or the payment of taxes or fees that are due on or by April 30, 2021. (Executive Order N-40-20; Governor Newsom Signs Executive Order Providing Relief to California Small Businesses, 03/30/2020; Press Release, Office of California Gov. Gavin Newsom, 12/14/2020; Executive Order N-84-20, Office of California Gov. Gavin Newsom, 12/14/2020.)

Provisions that require a California property tax collector to impose penalties, costs, or interest for failure to pay taxes on property on the secured or unsecured roll, or to pay a supplemental bill, before the date and time such taxes became delinquent, are suspended until May 6, 2021. (Executive Order N-61-20, California Gov. Gavin Newsom, 05/07/2020.)

California will not tax an out-of-state corporation whose only connection to California is an employee teleworking in California due to Executive Order N-33-20. In addition, an employee teleworking in California due to the order will not cause an out-of-state corporation to exceed the protections of P.L. 86-272.

California will not tax forgiven Paycheck Protection Program loan amounts. For tax years beginning on and after January 1, 2020, California conforms to federal law excluding from income any covered loan amount forgiven pursuant to the CARES Act (P.L. 116-136); the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139); or the Paycheck Protection Program Flexibility Act of 2020 (P.L. 116-142). California will not allow a credit or deduction for any expenses paid for using forgiven PPP funds. Taxpayers must reduce any credit or deduction otherwise allowed for those expenses by the amount of the forgiven loan excluded from income. (AB 1577 (Ch. 20-39).)

California has enacted a small business hiring credit for taxable years beginning on or after January 1, 2020, and before January 1, 2021. The credit equals \$1,000 for each net increase in qualified employees. But, the credit cannot exceed \$100,000 for any qualified small business employer. Also, the aggregate amount of credit allocated to all employers cannot exceed \$100 million. An employer must apply to the California Department of Tax and Fee Administration (CDTFA) for a tentative credit reservation. (SB 1447 (Ch. 20-41).)

The CDTFA will:

- Provide an automatic three-month payment extension for taxpayers filing less than \$1 million in sales tax on their returns and extend the availability of existing interest and penalty free payment agreements to companies with up to \$5 million in taxable sales;
- Broaden opportunities for more businesses to enter into interest-free payment arrangements; and
- Expand interest-free payment options for larger businesses particularly affected by significant restrictions on operations based on COVID-19 transmissions.
(News Release, Office of California Gov. Gavin Newsom, 11/30/2020.)

California will provide over \$2 billion in new grants to small businesses affected by the COVID-19 pandemic. Taxpayers may exclude from their gross income for tax years 2020 through 2029, grants received from: the new California Small Business COVID-19 Relief Grant Program; or the previous COVID-19 Relief Grant Program funded by Executive Order No. 20/21-182. (SB 87 (Ch. 21-7), effective 02/23/2021.)

California will provide stimulus payments to millions of low-income Californians under the Golden State Stimulus plan. The one-time payments of \$600 or \$1,200 provide financial relief to households who have been adversely impacted by the COVID-19 emergency. (SB 88 (Ch. 21-8), effective 02/23/2021.) Stimulus payments generally will not be subject to offset for debts owed to the FTB or other government agencies, withholding orders, or wage garnishment. (AB 88 (Ch. 21-12), Laws 2021, effective 03/17/2021.)

The FTB will extend the California income tax filing and payment deadline for individuals to May 17, 2021. The extension does not apply to estimated tax payments due on April 15, 2021. (News Release, California Franchise Tax Board, 03/17/2021.)

COLORADO

The income tax payment deadline for all Colorado taxpayers is extended from April 15, 2020, to July 15, 2020, without penalty or interest. The extension applies to any income tax payment, regardless of the amount, and includes all income tax payments with normal deadlines due between April 15, 2020, and July 15, 2020. The state is also not imposing any caps on the amount of tax that can be deferred. The state estimated income tax payment deadline is extended to July 15, 2020; so estimated payments due on and after April 15, 2020, but on or before June 15, 2020, may now be paid any time on or before July 15, 2020, without penalty. The April 20, 2020, filing and payment due date is extended to May 20, 2020.

Local governments may choose to extend tax payment deadlines for property and sales and use taxes and allow penalties to be waived. (Executive Order D 2020 010, Executive Department, State of Colorado, 03/20/2020; Website Post: Gov. Polis Announces State's Economic Response to COVID-19, Colo. Dep't. Rev., 03/20/2020; Press Release, Colorado Department of Revenue, 04/06/ 2020; Executive Order D 2020-023, 04/05/ 2020; Executive Order D 2020 040, Colorado Gov. Jared Polis, 04/18/2020; Emergency Regulations, §§39-22-608-2 and 39-22-609-1, Colorado Department of Revenue, effective 04/20/2020.)

H.B. 1420 creates several additions to Colorado income for tax year 2020 that reverse expanded deductions allowed under the CARES Act, and requires that NOL deductions for 2018 and later tax years remain limited by the 80% limitation under the TCJA. (Laws 2020, effective 07/11/2020.)

Colorado Gov. Jared Polis has signed legislation providing for a temporary deduction from state net taxable sales for qualifying retailers in the bar, restaurant, and mobile food services industries. The law allows qualifying retailers to temporarily deduct up to \$70,000 in net taxable sales from their monthly state sales tax return and retain the resulting sales tax revenue. One deduction is permitted per month for up to five licensed locations per retailer. The temporary tax deduction will be allowed for sales made in November 2020 through February 2021. (H.B. 1004, Laws 2020, First Special Session, effective December 7, 2020; COVID-19 Sales Tax Relief, Colorado Department of Revenue, 12/08/2020.)

The Colorado Department of Revenue has issued guidance on the state's conformity to the federal American Rescue Plan Act, which exempts a portion of unemployment benefits received in 2020 from federal income tax. Because Colorado's income tax statutes do not incorporate retroactive federal statutory changes that are enacted after the last day of a taxable year, this Act will not impact state income tax returns for the year 2020, including the taxation of unemployment compensation. Colorado taxpayers are required to add back the amount of unemployment compensation excluded from their federal taxable income in accordance with the American Rescue Plan Act. (Press Release, Colorado Department of Revenue, 03/12/2021.)

CONNECTICUT

The filing and payment deadline for Connecticut personal income tax returns has been extended 90 days from April 15, 2020, to July 15, 2020. The extension also applies to Connecticut estimated income tax payments for the first and second quarters of 2020. (CT Dept. of Revenue Services extends personal income tax filing and payments deadlines, 03/20/2020.)

The Connecticut DRS granted automatic extensions of the filing deadlines for certain business annual tax returns due on or after March 15, 2020: the corporation business tax return, the passthrough entity tax return, estate and trust returns, and the unrelated business income tax return. The July 15 extension also applies to certain estimated tax payments due through July 15, 2020, and for first and second quarter individual estimates. (DRS Extends Filing Deadline for Certain Annual State Business Tax Returns, Conn. DRS, 03/16/2020; Press Release, Connecticut Department of Revenue Services, 04/14/2020.)

Small business taxpayers that have \$150,000 or less in annual sales tax liability qualify for an automatic extension of time to file and pay. For monthly sales tax and room occupancy tax filers, returns and payments due March 31, 2020, and April 30, 2020, are extended until May 31, 2020. For quarterly filers, returns and payments due April 30, 2020, are extended to May, 31, 2020. DRS will not return payments of taxes due March 31, 2020, that have already been made. (Connecticut extends filing and payment deadlines for sales and use tax and room occupancy tax to small businesses, 03/30/2020; Connecticut COVID-19 Frequently Asked Questions (updated through March 30, 2020), 03/30/2020.)

For general CARES Act guidance, see Connecticut Department of Revenue Services OCG-10 (07/06/2020).

The deferment program and the low interest rate program – which apply to all taxes imposed by municipalities and quasi-municipalities and are offered to eligible taxpayers, businesses, nonprofits, and residents who have been economically affected by COVID-19 – also apply to tax deadlines and collection efforts for tax bills that become due and payable on January 1, 2021. (Executive Order No. 9R, Office of Connecticut Gov. Ned Lamont, 12/16/2020; Press Release, Office of Connecticut Gov. Ned Lamont, 12/16/2020.)

Connecticut enacted legislation that addresses the tax implications of employees working remotely during the COVID-19 emergency. The Connecticut Department of Revenue Services cannot consider the activities of employees who worked remotely from Connecticut during the 2020 tax year due to COVID-19 in determining whether the employer has nexus with the state for any tax. Residents who worked remotely in Connecticut during the 2020 tax year due to COVID-19 can claim a credit for income tax paid to another state that uses a convenience of the employer rule; or requires nonresident employees to pay tax to that state on income earned while the employee was working remotely from Connecticut if, immediately before March 11, 2020, the employee was performing work in the other state. (Act 21-3 (H.B. 6516), Laws 2021, effective 03/04/2021.)

DELAWARE

Income tax filing deadlines for corporate, personal, and fiduciary income tax returns due in April are extended to July 15, 2020. The payment deadline will be July 15, 2020, and penalties and interest on underpayments will be calculated from that date, even if a taxpayer requests an additional extension of time to file.

All Delaware final corporate income tax returns are due on the date that the corresponding federal return is due. Since the IRS has extended the time for filing of tax returns and payment of tax

due from April 15, 2020, to July 15, 2020, by operation of law, all Delaware final corporate income tax returns (Forms 1100) are now due on July 15, 2020. Corporations may request an additional extension of time to file from the IRS and Delaware will grant the same extension.

Individual taxpayers may request an additional extension to file to October 15, 2020, by submitting Form 1027 online. Estimated personal income tax payments and fiduciary income tax returns that are due on April 30, 2020, are extended to July 15, 2020. Second quarter payments remain due on June 15, 2020. The state has not extended the deadlines for filing returns and payments for other state taxes and fees. (Delaware Technical Information Memorandum No. 2020-1, 03/23/2020; Release, Del. Div. of Revenue, 03/23/2020; News Release, Delaware Division of Revenue, 04/09/2020.)

The City of Wilmington issued guidance that explains how changes to earned income tax regulations apply to employees telecommuting during the COVID-19 emergency. Nonresident employees must pay earned income tax based on “work performed and rendered” for businesses in the city. The city views employees working remotely during the COVID-19 emergency as temporary. Employers domiciled in Wilmington must pay the head tax if the employee’s work location is documented at the same location, and the employer has five or more employees. (Interpretation of Earned Income Tax Regulations for Tax Years 2020 and 2021, City of Wilmington, 11/30/2020.)

Delaware issued guidance on how personal income taxpayers working remotely during the COVID-19 emergency must report wage income. Taxpayers can treat all days on which they actually worked from a home outside of Delaware from March 22, 2020, to May 31, 2020, as days worked outside of the state. Delaware lifted many of its COVID-19 restrictions beginning on June 1, 2020. Taxpayers can report days worked from home on or after June 1, 2020, as days worked outside of the state if the taxpayer’s employer directed employees to work from home and did not permit employees to work at the employer’s Delaware business location. Taxpayers cannot report days worked from home as days worked outside of the state if they had the discretion to return to work or if they elected to work remotely. Delaware can require proof of any direction or permission given by an employer for remote work after June 1, 2020. (Technical Information Memorandum 2021-2, Delaware Division of Revenue, 03/18/2021.)

DISTRICT OF COLUMBIA

The deadline for taxpayers to file and pay their 2019 District of Columbia individual and fiduciary income tax returns (D-40, D-41, and D-40B), partnership tax returns (D-65), and franchise tax returns (D-20, D-30) is extended to July 15, 2020. Taxpayers requiring additional information are advised to contact the OTR’s Customer Service Center at (202) 727-4TAX (4829). (Release, D.C. Office of Tax and Revenue, 03/23/2020.)

The deadlines for individual and business taxpayers to file their 2020 estimated tax payments (Forms D-40ES, D-41ES, D-20ES, and D-30ES) remain unchanged. The first quarter payments are due April 15, 2020, and the second quarter payments are due June 15, 2020. (Release, Office of Tax and Revenue, 03/26/2020.)

The OTR will automatically waive interest and penalties for failure to timely pay sales and use tax due for the periods ending on February 29, 2020, and March 31, 2020. All vendors who are required to file sales and use tax returns on either a monthly or a quarterly basis are eligible for this relief, except for hotels and motels permitted to defer real property taxes. All eligible vendors must pay in full all sales and use taxes due for periods ending on February 29, 2020, and March 31, 2020,

on or before July 20, 2020, or interest and penalties will apply from the original due date. (Release, D.C. Office of Tax and Revenue, 03/20/2020.)

The District of Columbia will not seek to impose corporation franchise tax or unincorporated business franchise tax nexus on remote workers solely on the basis of employees or property used to allow employees to work from home in the District due to COVID-19. The exemption will continue during the period of the declared public emergency and public health emergency. Further, the presence of employees will not cause a business to lose the protections of P.L. 86-272. (OTR Notice 2020-05 COVID-19 Emergency Income and Franchise Tax Nexus, D.C. Office of Tax and Revenue, 04/10/2020; OTR Tax Notice 2020-07, D.C. Office of Tax and Revenue, 09/03/2020.)

The District of Columbia has amended income tax law to exempt certain CARES Act payments and other emergency grants from tax and to allow a deduction for certain apportioned net operating loss carryovers. Businesses other than hotels and motels that are required to file February 2020 and March 2020 returns for sales tax can delay those payments until July 20, 2020. (Act 23-328 (D.C.B. 23-759), Laws 2020, effective 06/08/2020, for a 90-day period that expires 09/06/2020; A 23-0326 (D.C.B. 23-757), Laws 2020, expires on 06/09/2020.)

The District of Columbia has extended the deadline to file and pay all income tax returns until May 17, 2021. The extension is automatic and does not require taxpayers to apply. This extension applies to all D-20, D-30, D-40, Standalone Schedule H, D-41, D-40B, and D-65 tax filers, and includes combined return filers. The deadlines to file Forms D-20ES, D-30ES, D-40ES, and D-41ES and to make estimated tax payments remains unchanged. The first quarter payments are due April 15, 2021. (Press Release, District of Columbia Office of Tax and Revenue, 03/19/2021.)

FLORIDA

The Florida Department of Revenue will waive interest and penalties for taxpayers who collected sales and use tax, including discretionary sales surtax, in February 2020 but were unable to meet the due date. This relief also applies to other tax and fee programs as noted in the Order of Emergency Waiver. (Order of Emergency Waiver/Deviation No. 20-52-DOR-002, Florida Department of Revenue, 03/26/2020.)

Florida issued an emergency order that extends the due date to August 3, 2020, for certain corporate fiscal year returns. The order extends tax payments due May 1, 2020, to June 1, 2020. The deadline for tax payments due on June 1 and July 1, 2020, remains the same. The order extends the deadline to request a filing extension for corporations with fiscal years ending December 31, 2019. Extension requests and payments due May 1, 2020, are due June 1, 2020. The order does not extend the deadline for estimated tax payments due between April 1, 2020, and July 15, 2020. (Order of Emergency Waiver/Deviation #20-52-DOR-003, Florida Department of Revenue, 04/27/2020.)

GEORGIA

The Georgia Department of Revenue is automatically extending the 2019 income tax filing and payment deadline to July 15, 2020, without penalties or interest. This also includes state estimated income tax payments due on April 15, 2020, for the 2020 taxable year. (Georgia Income Tax and Tag Renewal Deadlines Extended, Georgia DOR Press Release (3/25/2020))

Georgia will not use an employee's relocation, the direct result of temporary remote work requirements due to the COVID-19 pandemic, to establish Georgia nexus or for exceeding the protections provided by P.L. 86-272 for the employer. Also, if the employee is temporarily working in Georgia, wages earned during this time period would not be considered Georgia income and

therefore the company is not required to withhold Georgia income tax. Wages paid to a nonresident employee who normally works in Georgia but who is temporarily working in another state due to COVID-19 emergency are considered Georgia wages and the employer should continue to withhold Georgia income taxes. (Coronavirus Tax Relief FAQs, Georgia Department of Revenue, 05/14/2020.)

HAWAII

Any person with a 2019 state income tax filing requirement or payment due from April 20, 2020, to June 20, 2020, may file using the extended due date of July 20, 2020, for filing 2019 state income tax returns, and for making 2019 state income tax payments. This relief does not include estimated income tax payments for the 2020 taxable year. The relief applies to all individual income tax filers, including self-employed individuals. The relief will be automatically provided. (Hawaii Dept. of Taxation Announcements No. 2020-01, 03/23/2020.)

Filing and payment dates for all non-income taxes (withholding, general excise, transient accommodations, etc.) are unchanged. (Relief For Taxpayers Affected by the COVID-19 Emergency, Haw. Dept. Tax'n News Release, 03/23/2020.)

Amounts not subject to Hawaii income tax include federal Economic Impact Payments and loan proceeds from the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program. Amounts subject to Hawaii income tax include: Pandemic Unemployment Assistance and Federal Pandemic Unemployment Compensation. (Tax Information Release No. 2020-02, Hawaii Department of Taxation, 04/29/2020, revised 05/06/2020; Act 13 (S.B. 2920), Laws 2020; Tax Information Release No. 2020-06, Hawaii Department of Taxation, 10/05/2020.)

The tax year 2020 Hawaii income tax filing deadline remains April 20, 2021. After careful consideration, the Department of Taxation has decided not to extend the deadline. Taxpayers get an automatic six-month extension to file through October 20, 2021, if they are due a refund or pay the properly estimated tax amount owed by April 20, 2021. (News Release, Hawaii Department of Taxation, 03/24/2021.)

IDAHO

Individuals and businesses have until June 15, 2020, to file their state income taxes and make any state income tax payments. (Governor's Press Release (3/23/2020).)

Idaho personal income taxpayers receiving money from the state due to the COVID-19 pandemic will owe tax on that money. This includes: unemployment insurance benefits provided to people who lost their job; Idaho Return-to-Work bonuses awarded to certain employees who were laid off due to the pandemic and then returned to work; Pandemic Unemployment Assistance for self-employed workers, independent contractors, and gig workers; and rebound Idaho cash grants awarded to small businesses and people who are self-employed. Federal economic impact payments are not subject to Idaho tax. (News Release, Idaho State Tax Commission, 08/20/2020; Notice, Idaho State Tax Commission, 12/2020.)

Idaho enacted legislation making the following one-time federal relief monies provided to Idaho businesses in 2020 deductible by income taxpayers: funds received or loans forgiven under the Coronavirus Aid, Relief, and Economic Security Act; forgiven Paycheck Protection Program loans; and Economic Injury Disaster Loan advance funds. Any excluded emergency rental assistance program funds must be added to Idaho taxable income. (Ch. 86 (H.B. 251), Laws 2021, effective retroactive to 01/01/2021.)

ILLINOIS

The 2019 income tax filing and payment deadlines for all taxpayers who file and pay their Illinois income taxes on April 15, 2020, are automatically extended until July 15, 2020. This relief applies to all individual returns, trusts, and corporations. Penalties and interest will begin to accrue on any remaining unpaid balances as of July 16, 2020. (Illinois Dept. of Rev. Info. Bulletin No. FY 2020-24, 03/25/2020.)

Because the extended due dates affect how Illinois corporations, trusts, and individuals accurately determine and pay their 2020 Illinois estimated income tax, Illinois is providing an additional option for determining their estimated tax payments. (Informational Bulletin FY 2020-26, Illinois Department of Revenue, 04/03/2020.)

Estates with returns and payments due between March 16, 2020, and April 15, 2020, will receive a 30-day extension for filing and payment. An extension of time to pay does not waive or abate statutory interest. (Important Notice, Attorney General's Office, 03/18/2020.)

All penalties and interest that would have been imposed on sales tax payments due in the February, March and April 2020 reporting periods are waived for taxpayers who operate eating and drinking establishments that incurred a total sales tax liability of less than \$75,000 in calendar year 2019. (Illinois Dept. of Rev. Info. Bulletin No. FY 2020-23, 03/01/2020.)

The city of Chicago has extended until June 1, 2020, the due dates for the February, March, and April tax payments for the following city taxes: amusement tax, bottled water tax, checkout bag tax, ground transportation tax, hotel accommodations tax, parking tax, and restaurant tax. (Notice, Chicago Department of Finance, 04/15/2020.)

Illinois will require out-of-state employers to withhold income tax from employees who perform services in Illinois, and who perform those services in Illinois for more than 30 days. Most of those employers must also register for withholding. The withholding requirements do not apply to out-of-state employers from states that have a reciprocal collection agreement with Illinois. Employees who do not have Illinois income tax withheld may owe income tax. Estimated tax requirements may also apply. (Informational Bulletin FY 2020-29, Illinois Dept. of Rev., 05/19/2020.)

Illinois has enacted property tax legislation that waives interest penalties on late property tax payments for 2020 and allows counties to approve certain 2020 homestead exemptions without applications. (P.A. 101-0635 (S.B. 685), Laws 2020, effective 06/05/2020.)

INDIANA

Certain filing and payment deadlines are extended to align with IRS. Individual tax returns and payments, along with estimated payments originally due by April 15, 2020, are now due on or before July 15, 2020. Taxpayers may apply for an extension to November 15, 2020. Corporate tax returns and payments, along with business personal property tax returns and estimated payments are now due on or before July 15, 2020. Corporate returns originally due on May 15, June 15, or July 15, 2020, are now due on August 17, 2020. All other tax return filings and payment due dates remain unchanged. (DOR Announces Filing and Payment Extensions, Ind. Dept. of Rev., 03/19/2020; Executive Order 20-23, Indiana Gov. Eric J. Holcomb, 04/23/2020; Press Release, Indiana Department of Revenue, 05/11/2020; Release, Ind. Dept. of Rev., 06/10/2020.)

Manufacturers making donations of medicine, medical supplies, or other goods in the furtherance of fighting the COVID-19 pandemic will not be subject to Indiana use tax on those items

donated. (Executive Order 20-05, State of Indiana, 03/19/2020; Press Release, Indiana Department of Revenue, 04/06/2020.)

Indiana will not use an employee's relocation that is the direct result of temporary remote work requirements arising from and during the COVID-19 pandemic health crisis as the basis for establishing Indiana income tax nexus or for exceeding the protections provided by P.L. 86-272 for the employer of the temporary relocated employee. (COVID-19 FAQs, Indiana Department of Revenue, 04/10/2020.)

IOWA

Filing and payment deadlines are extended for income, franchise, and moneys and credits taxes with a due date on or after March 19, 2020, and before July 31, 2020, to a new deadline of July 31, 2020. Specifically, the order includes: IA 1040C Composite Return and all supporting forms and schedules; IA 1041 Fiduciary Return and all supporting forms and schedules; IA 1120 Corporation Income Tax Return and all supporting forms and schedules; IA 1120F Franchise Tax Return for Financial Institutions and all supporting forms and schedules; IA 1065 Iowa Partnership Return and all supporting forms and schedules; IA 1120S S Corporation Return and all supporting forms and schedules; Credit Union Moneys and Credits Tax Confidential Report. The relief applies to installment payments due on or after April 30, 2020, and before July 31, 2020, for tax years beginning during the 2020 calendar year. The payments must satisfy certain conditions. (Iowa Extends Filing/Payment Deadline for Several Tax Types, Iowa Dept. of Rev., 03/19/2020; Director Order 2020-03 Granting Certain Penalty Relief Under Iowa Code Section 421.17(30) Due to Proclamation of Disaster Emergency, Iowa Department of Revenue, 04/09/2020.)

The second round of the Iowa Small Business Relief Program is accepting applications. The program offers small business relief grants and tax deferral of sales and/or withholding taxes due and waiver of penalty and interest. For any sales and/or withholding tax filing due during the period May 1 through June 30, 2020, the tax deferral provides an additional 60 days from the original due date remit the tax payment (returns must still be timely filed). Information about the program and the application is located at: tax.iowa.gov/COVID-19. (Iowa Tax e-News, Iowa Department of Revenue, 04/08/2020; Iowa Tax e-News, Iowa Department of Revenue, 05/06/2020.)

Penalties and interest are temporarily suspended for delays in property tax payments. Tax sales for property with delinquent taxes also continue to be suspended along with the extension of the right of redemption after tax sales. (Gov. Reynolds signs new proclamation continuing the State Public Health Emergency Declaration, Office of the Governor of Iowa, 05/25/2020.)

During the COVID-19 state of emergency, Iowa will not consider the presence of one or more employees working remotely from within Iowa solely due to the COVID-19 pandemic, by itself, sufficient business activity within the state to establish Iowa corporate income tax nexus. Iowa will not consider presence by non-sales employees due to the pandemic sufficient, by itself, to cause a corporation to lose the protections of P.L. 86-272. Iowa individual income tax and withholding requirements have not been modified by the COVID-19 pandemic. Compensation for personal services rendered in Iowa is subject to Iowa income tax, unless that income is exempted by a specific provision of Iowa law. (COVID-19 Frequently Asked Questions, Iowa Department of Revenue, 05/2020.)

Iowa has released guidance regarding income tax conformity to the Taxpayer Certainty and Disaster Tax Relief Act of 2019 and the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. (Iowa Nonconformity: Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Iowa Department of Revenue, 07/14/2020.)

Iowa has released additional corporate and personal income tax guidance discussing conformity to changes made by the Consolidated Appropriations Act. Among the issues discussed are: the deductibility of business expenses related to the Paycheck Protection Program (PPP) loans; loan forgiveness and other business financial assistance; farming losses; federal residential energy efficient property tax credits; residential rental property depreciation; and qualified disaster relief contributions. (Iowa Nonconformity: The Federal Consolidated Appropriations Act of 2021, Iowa Department of Revenue, 02/04/2021.)

Iowa has extended the filing and payment deadline to for personal income tax returns and first quarter estimated income tax payments from April 30, 2021 to June 1, 2021. The extension applies to the IA 1040 Individual Income Tax Return and all supporting forms and schedules, and any associated tax payments, including quarterly estimated income tax payments. (Order 2021-01, Iowa Department of Revenue, 03/29/2021.)

KANSAS

The regular filing and payment deadline for calendar year 2019 tax returns for individual income tax, fiduciary income tax, corporate income tax, and privilege tax is extended to conform to the federal extended due date of July 15, 2020. The filing deadline for fiscal year filers for fiduciary income tax, corporate income tax, and privilege tax is the 15th day of the fourth month following the end of the taxable year. The deadline for filing 2019 tax returns and payments for these types of income tax with due dates between April 15, 2020, and July 15, 2020, is extended to conform to the federal extended due date of July 15, 2020. All other laws, regulations, or rules relating to taxes remain in effect. (Kansas Revenue Department Public Notice No. 20-01, 03/23/2020; Executive Order 20-13, Kansas Governor Laura Kelly, 03/23/2020.)

Penalties and interest are waived for corporate, individual, and financial institution privilege tax estimated payments due April 15, 2020, and made before July 15, 2020. (Notice 20-02, Kansas Department of Revenue, 04/02/2020.)

Kansas Gov. Laura Kelley issued an executive order on withholding personal income tax for employees working remotely during the COVID-19 emergency. The executive order provides a temporary withholding rule for wages paid to employees telecommuting in another state during the pandemic. Employers can continue to withhold based on the state of the employee's primary work location and not based on the state in which the employee is telecommuting or working during the pandemic. The temporary rule applies to wages paid from March 13, 2020, through December 31, 2020. (Executive Order No. 21-01, Kansas Department of Revenue, 01/26/2021.)

KENTUCKY

The 2019 personal income tax return filing due date is extended from April 15, 2020, to July 15, 2020. Late-filing penalties will be waived for 2019 personal income returns that are filed by July 15, 2020. Personal income tax payments due on April 15, 2020, are deferred for 90 days to July 15, 2020. Late-payment penalties will be waived for income tax payments deferred from April 15, 2020, to July 15, 2020. (S.B. 150, Laws 2020, effective March 30, 2020; Press Release, Kentucky Department of Revenue, 04/03/2020.)

A COVID-19 relief bill has been signed which includes tax provisions authorizing extensions of filing and payment requirements and waiving penalties and interest. Taxpayers can get an automatic filing extension if they submit a request by July 15, 2020. The request will automatically extend due dates for taxpayers other than C corporations to October 15, 2020, for returns previously due April 15, 2020; November 15, 2020, for returns previously due May 15, 2020; and December 15,

2020, for returns previously due June 15, 2020. The extended due dates for C corporation returns previously due on April 15, May 15, and June 15, 2020, are: November 15, 2020; December 15, 2020; and January 15, 2021. (L. 2020, S150, effective 03/30/2020; Press Release, Kentucky Department of Revenue, 04/17/2020.)

The DOR has suspended all collection action indefinitely. (Press Release, Kentucky Department of Revenue, 04/16/2020.)

Kentucky has enacted corporation and personal income tax legislation addressing the treatment of federal Paycheck Protection Program (PPP) loans. The legislation grants Kentucky income taxpayers the same treatment under federal law for income from forgiven PPP loans; deductions related to those loans; and tax attributes associated with those loans. It also creates an exception from a Kentucky law that prohibits any deduction from income exempt from taxation. The law change applies to tax years ending on or after March 27, 2020 and beginning before January 1, 2022. (Ch. 22 (H.B. 278), Laws 2021, effective 03/15/2021.)

LOUISIANA

The due date for income and franchise tax returns and payments due April 15, 2020, and May 15, 2020, is extended to July 15, 2020. The following 2019 income and franchise tax returns are subject to the July 15, 2020, extension, which is automatic, and no extension request is necessary: (1) For partnerships, the IT-565 – 2019 Partnership Return of Income, which is due April 15, 2020, and the R-6922 – 2019 Composite Partnership Tax Return, which is due May 15, 2020; (2) for individuals, the IT-540 – 2019 LA Resident Income Tax Return, the IT-540B – 2019 LA Nonresident and Part-Year Resident Income Tax Return, and the R-1035 – LA Consumer Use Tax Return, all of which are due May 15, 2020; (3) for fiduciaries, the IT-541 – 2019 Fiduciary Income Tax Return, which is due May 15, 2020; and (4) for corporations, the CIFT-620 – 2019 Corporation Income and 2020 Franchise Tax Return, which is due May 15, 2020.

No penalties or interest will be assessed provided that the return and payment are submitted by July 15, 2020. For fiscal year filers with an income tax or franchise tax return and payment due date between March 1, 2020, and May 30, 2020, the automatic extension for the return and payment is 60 days from the original due date. The filing and payment deadline for income and franchise tax returns has been administratively extended to July 15, 2020. The extension period will run from July 16, 2020, to the general extension date of November 15, 2020, for individual, fiduciary, and partnership returns and December 15, 2020, for corporation returns. Interest and penalties will accrue beginning July 16, 2020. (Louisiana Revenue Information Bulletin No. 20-009, 03/23/2020; Revenue Information Bulletin No. 20-013, Louisiana Department of Revenue, 07/09/2020.)

Various sales and excise tax payments have also been extended. Louisiana sales tax returns/payments for March and April 2020 that were due April 20 and May 20, 2020, respectively are now due by June 30, 2020. (News Release, COVID-19: Louisiana State Tax Filing and Payment Extensions, Louisiana Department of Revenue, 03/27/2020; Revenue Information Bulletin No. 20-012, Louisiana Department of Revenue, 05/22/2020.)

The unpaid estimated tax penalty otherwise due for the April 15 and June 15, 2020, declaration payments will be waived provided certain criteria are met. (Revenue Ruling No. 20-002, Louisiana Department of Revenue, 03/30/2020.)

Louisiana will waive late-filing and late-payment penalties and interest for the late filing of any return or payment with an original due date between March 11, 2020, and July 15, 2020. Taxpayers must apply for the waiver. The waiver applies to taxpayers whose health was impacted by COVID-19;

or who relied on a tax preparer whose health was impacted by COVID-19. (Act 31 (H.B. 37), Laws 2020, effective 07/01/2020.)

Louisiana legislation temporarily suspends the state franchise tax and initial corporation franchise tax for small business corporations. (Act 15 (S.B. 6), Laws 2020, First Extraordinary Session, effective 7/13/2020, and applicable as noted.)

The Louisiana Department of Revenue granted filing and payment extensions for all tax returns and payments due on July 15, 2020, until July 17, 2020, due to network connectivity issues that impacted the department's website. This filing and/or payment extension includes income and franchise tax returns and payments; Louisiana withholding (L-1) payments for those paying on a semi-monthly frequency; high alcoholic content beverage tax returns and payments; and motor fuels licensed importers tax returns and payments. (Revenue Information Bulletin No. 20-014, Louisiana Department of Revenue, 07/15/2020.)

The Louisiana Workforce Commission has enacted an emergency regulation providing that whenever additional federal benefits are in effect, the statutory 4% withholding rate is not mandatory. Rather, a claimant may voluntarily elect to have state income taxes withheld at the 4% rate. (Act 33 (H.B. 62), Laws 2020, effective 08/29/2020; LAC 40:IV.383, Louisiana Workforce Commission, effective 08/29/2020.)

A Louisiana personal income tax deduction is enacted for certain virtual education expenses incurred during the COVID-19 pandemic. The deduction is for amounts paid from March 13, 2020, through December 31, 2020, for educational coaching services for students receiving virtual education delivered by a public or approved non-public school. The deduction amount is equal to the actual amount of expenses per eligible child or \$5,000 per eligible child, whichever is less. (Act 13 (H.B. 20), Laws 2020, Second Extraordinary Session, effective 10/28/2020, and applicable to taxable periods beginning on and after 01/01/2020, and on or before 12/31/2020.)

Louisiana has enacted a one-time refundable credit against corporate and personal income tax for certain restaurants and bars affected by the COVID-19 pandemic. The credit is equal to the amount of annual license or permit fees paid by owners of restaurants and bars attributable to any month during which the holder's operations were temporarily closed pursuant to a proclamation declaring a statewide COVID-19 public health emergency. The credit is applicable to income tax periods beginning January 1, 2020, through December 31, 2020. (Act 60 (S.B. 72), Laws 2020, Second Extraordinary Session, effective 11/5/2020.)

Direct economic impact payments to individuals under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act and the Consolidated Appropriations Act of 2021 are refundable tax credits and are not considered taxable income for federal or state tax purposes. They are not subject to Louisiana state income tax. The federal weekly supplemental unemployment benefits for individuals are subject to Louisiana state income tax. The one time rebate of \$250 for eligible Louisiana frontline workers, authorized by Act 12 (H.B. 70), Laws 2020, are subject to Louisiana state income tax. Grants of up to \$15,000 to eligible small businesses through a program administered by the Louisiana Department of Treasury are subject to Louisiana state income tax. Paycheck Protection Program (PPP) loans established under the CARES Act are forgivable under certain conditions and the loan forgiveness is not taxable income for federal tax purposes. The PPP loan forgiveness is not subject to Louisiana state income tax. (News Release, Louisiana Department of Revenue, 02/11/2021.)

MAINE

The deadline for state income tax payments has been extended from April 15 to July 15 to align with the federal extension. The extension applies to any final and estimated Maine income tax

payments due by April 15, 2020. The extension includes Form 1040ME (Maine Individual Income Tax Return), Form 1041ME (Maine Income Tax Return for Estates and Trusts), and Form 1120ME (Maine Corporate Income Tax Return).

Due to federal corporate tax changes as a result of COVID-19, Maine Revenue Services has announced that it has automatically extended the filing deadline for state corporate taxpayers (Forms 1120ME and 1120B-ME), on extension, from October 15, 2020, to November 16, 2020. Late-filing penalties will be abated for these returns filed by November 16, 2020; other penalties and interest will accrue. (Maine Tax Alert, Vol. 30, No. 18, Maine Revenue Services, 10/2020.)

The extension to July 15, 2020, also includes second quarter estimated payments and any estimated or final payments, originally due April 16, 2020, through June 15, 2020, for fiscal-year filers. (Maine Tax Alert Vol. 30, No. 11, Maine Revenue Services, 04/29/2020.)

Any failure-to-pay penalties and interest will be abated for the period of April 16, 2020, through July 15, 2020. (News Release: Governor Mills Extends State Income Tax Payment Deadline to July 15, 2020, www.maine.gov, 3/26/2020.)

See the state's FAQs page at: www.maine.gov/revenue/faq/covid19_faq.html. (Coronavirus (COVID-19) FAQs, Maine Revenue Services, 04/16/2020.)

Maine Revenue Services has issued an alert discussing the state's response to the FFCRA and the CARES Act. The Acts contain federal tax provisions that affect Maine tax laws, including retroactive changes back to tax years beginning in 2018 and 2019. Maine conforms to the Internal Revenue Code as amended through December 31, 2019. (Tax Alert Vol. 30, No. 14, Maine Revenue Services, 06/16/2020.)

For general FFCRA and CARES Act guidance, see Maine Revenue Services Maine Tax Alert, Vol. 30, No. 15 (07/2020).

Maine Revenue Services will not consider the presence of employees in Maine, who commenced working remotely from within the state during the state of emergency and due to the COVID-19 pandemic, to establish, by itself, corporate income tax nexus, nor will it constitute substantial physical presence in Maine for sales and use tax registration and collection duty purposes. (Maine Tax Alert, Vol. 31, Issue 3, Maine Revenue Services, 02/2021.)

Maine income tax withholding for wages paid through June 30, 2021, to a Maine resident suddenly working in Maine due to a state's COVID-19 state of emergency, will continue to be calculated as if the Maine resident were still working outside Maine. (Maine Tax Alert, Vol. 30, No. 19, Maine Revenue Services, 10/2020; Notice to Maine Income Taxpayers, Maine Revenue Services, 01/26/2021.)

MARYLAND

For individual, corporate, passthrough entity, and fiduciary taxpayers, Maryland follows the federal deadline for filing 2019 federal income tax returns and submitting 2019 federal income tax payments, extended by 90 days to July 15, 2020. The Maryland extension applies to all taxpayers. The due date for estimated income tax payments for the second quarter of 2020, originally due on June 15, 2020, is extended to July 15, 2020. Interest and penalty will be assessed on any unpaid tax from July 15, 2020, until the date the tax is paid. Fiscal year filers with tax years ending January 1, 2020, through March 31, 2020, are also eligible for the extension for filing returns and payment, as well as March quarterly estimated payments of 2020 taxes. (Maryland Tax Alert 03-20, Maryland Comptroller's Office, 03/23/2020; Tax Alert 04-14-20A, Maryland Comptroller, 04/14/2020.)

Business-related tax filing deadlines are extended until July 15, 2020, for business returns with due dates during the months of February, March, April, and May 2020 for businesses filing sales and use tax, withholding tax, admissions and amusement tax, alcohol, tobacco, and motor fuel excise taxes, tire recycling fee and bay restoration fee returns. (Impact of Covid-19 on Maryland Tax Filing (3/2020); COVID-19 Relief: FAQs, Maryland Comptroller, 04/02/2020.)

The filing and payment of returns for collections in or gross receipts from February, March, and April 2020 is extended to extended to June 1, 2020, for the following: sales and use taxes; withholding taxes; alcohol taxes; and cigarette and tobacco taxes. (Maryland Tax Alert 03-20, Maryland Comptroller's Office, 03/23/2020.)

Maryland employer withholding requirements are not affected by the current shift from working on the employer's premises to teleworking because taxability is determined by the employee's physical presence. Residents of states that have a reciprocal agreement with Maryland who earn wages, salaries, tips, and commission income for services performed in Maryland are exempt from Maryland state income tax, and therefore, withholding. (Tax Alert 04-14-20B, Maryland Comptroller, 04/14/2020.)

Maryland has published guidance on its conformity to various provisions of the CARES Act, including the business interest expense deduction, the limitation on excess business losses, net operating losses, and qualified income property eligible for bonus depreciation. (Income Tax Alert, Maryland Comptroller, 07/24/2020.)

Due to the economic impact on individuals and businesses as a result of COVID-19, the Maryland Comptroller has announced extended due dates for certain taxes, including:

- Corporate and passthrough entity income tax returns and remittances and estimated tax filings and payments with statutory due dates between January 1, 2021, and April 14, 2021, are extended to April 15, 2021;
- Withholding returns and payments for periods beginning January 1, 2021, through March 31, 2021, are extended to April 15, 2021;
- For individuals and fiduciaries, the time to file estimated income tax declarations and payments due between January 15, 2021, and April 14, 2021, is extended to April 15, 2021; and
- Sales and use tax returns that are due between January 20, 2021, and April 14, 2021, are extended to April 15, 2021.

(Tax Alert 01-06-21, Maryland Comptroller, 01/06/2021.)

Maryland has enacted the RELIEF Act, which provides corporate and personal income tax relief. The enacted law provides for: an exclusion from income for COVID-19 relief payments, grants, and loans; an exclusion from income for unemployment insurance payments for qualified individuals; a temporary increase in the refundable earned income tax credit; and a temporary vendor collection discount sales and use tax credit. (Ch. 39 (S.B. 496), Laws 2021, effective 02/15/2021; Tax Alert Maryland RELIEF Act 02-16-21, Maryland Comptroller, 02/16/2021.)

The Maryland Comptroller has announced that because of possible legislation clarifying the scope of sales and use tax on digital products, changes in the RELIEF Act, and time needed to produce revised tax forms, returns for sales taking place in March, April, and May of 2021 are now due on July 15, 2021. (Sales and Use Tax Bulletin 21-1, Maryland Comptroller, 03/29/2021.)

MASSACHUSETTS

The 2019 state individual income tax filing and payment deadline has been extended from April 15, 2020, to July 15, 2020. This income tax relief is automatic and taxpayers do not need to file any additional forms to qualify. The extended deadline also applies to first and second quarter estimated

tax payments. (Press Release: Massachusetts Announces State Income Tax Filing Deadline Being Extended to July 15, www.mass.gov, 3/27/2020; Ch. 53 (H.B. 4598), Laws 2020, effective 04/03/2020.)

The extension relief does not apply to corporate excise tax returns and payments due on April 15, 2020. Late-filing and late-payment penalties will be waived if taxpayers file their return and pay tax by July 15, 2020. Massachusetts cannot waive interest for payments due on April 15, 2020. (Technical Information Release 20-4, Massachusetts Department of Revenue, 04/03/2020.)

The sales and use tax filing and payment schedule for vendors whose cumulative sales and use tax liability in the 12-month period ending February 29, 2020, is less than \$150,000 will be as follows: Returns and payments due during the period beginning March 20, 2020, and ending May 31, 2020, inclusive, will be suspended. All such returns and payments will be due on September 20, 2020. The suspension does not apply to marijuana retailers, marketplace facilitators, or vendors selling motor vehicles who have to continue to file returns and make payments. (Massachusetts Technical Information Release No. 20-2, 03/19/2020; 830 CMR 62C.16.2: Sales and Use Tax Returns and Payments, Massachusetts Department of Revenue, 06/18/2020.)

Due to the ongoing COVID-19 pandemic, Massachusetts is extending sales tax relief for small businesses. The extension includes taxes from small businesses due between March 2020 through April 2021 for: sales tax; meals tax; and room occupancy tax. (Press Release, Office of Governor Charlie Baker, 09/15/2020; 830 CMR 62C.16.2: Sales and Use Tax Returns and Payments, Massachusetts Department of Revenue, 09/16/2020; Technical Information Release 20-12, Massachusetts Department of Revenue, 09/16/2020.)

Massachusetts expanded their COVID-19 guidance to include that masks are subject to sales tax. (Important COVID-19 Coronavirus Response Update from DOR, Massachusetts Department of Revenue Website, 05/15/2020.)

The Department of Revenue has issued rules on the tax implications of an employee working remotely in a state other than the state where the employee previously worked, solely due to the 2019 novel coronavirus (COVID-19) pandemic. The guidance and regulations will remain in effect until 90 days after Massachusetts lifts the COVID-19 state of emergency. (Massachusetts Technical Information Release No. 20-5, 04/21/2020; Technical Information Release 20-10, Massachusetts Department of Revenue, 07/21/2020; Technical Information Release 20-10, Massachusetts Department of Revenue, 12/8/2020; Emergency 830 CMR 62.5A.3, Massachusetts Department of Revenue, effective 12/8/2020 and as noted.)

Massachusetts issued guidance that explains the tax impact of selected provisions under the CARES Act, as it applies to taxpayers computing Massachusetts corporate excise and personal income tax liability. (Technical Information Release 20-9, Massachusetts Department of Revenue, 07/13/2020.)

Massachusetts has adopted final sourcing rules for personal income tax withholding from employees who telecommute during the COVID-19, or coronavirus, pandemic. Employers must source compensation to Massachusetts, and withhold income tax, for personal services performed by a nonresident who, immediately before the Massachusetts COVID-19 emergency, was an employee engaged in performing those services in the state; and who is performing those services from a location outside the state due to pandemic-related circumstances. (Emergency 830 CMR 62.5A.3, Massachusetts Department of Revenue, effective 07/21/2020; 830 CMR 62.5A.3, Massachusetts Department of Revenue, adopted 10/16/2020; 830 CMR 62.5A.3, Massachusetts Department of Revenue, effective 03/05/2021.)

MICHIGAN

Returns and payments otherwise due on April 15, 2020, are now due on July 15, 2020. Returns and payments otherwise due April 15 through July 30, 2020, are now due on July 31, 2020. The due dates for city income tax returns and payments remain extended only as announced in Executive Order 2020-26, or as otherwise indicated by each city. The deadlines for the city of Detroit have been extended to July 15, 2020, and employer quarterly or monthly withholding is extended to May 15, 2020. Penalties and interest for failure to file or pay will not begin to accrue until after the extended deadlines. (Executive Order No. 2020-26, Michigan Gov. Gretchen Whitmer, 03/27/2020; Notice - Automatic Extension of State Income Tax Filing Deadlines, Michigan Department of Treasury, 04/17/2020; Notice – Automatic Extension – City of Detroit Income Tax Filing Deadlines, Michigan Department of Treasury, 04/28/2020.)

For sales, use, and withholding taxpayers required to file returns and remit tax by the 20th day of each month, penalty and interest is waived for the late payment of tax or the late filing of the returns due on March 20, April 20, and May 20, 2020. Any payment or return originally due May 20, 2020, may be submitted by June 20, 2020. The waiver is not available for accelerated sales, use, or withholding tax filers, who should continue to file returns and remit any tax due as of the original due dates. An installment payment option is available for sales, use and withholding taxes otherwise due on June 22, 2020, by monthly and quarterly tax filers. (Notice: Penalty and Interest Waived for 30 Days for Monthly Sales, Use, and Withholding Tax Returns Due March 20, 2020, Mich. Dept. Treas., 03/17/2020; Treasury: Small Business Taxpayers Provided Tax Assistance, Mich. Dept. Treas., 03/18/2020; Notice, Mich. Dept. Treas., 04/14/2020; Notice, Mich. Dept. Treas., 05/15/2020; Notice, Mich. Dept. Treas., 05/26/2020.)

For the 2021 tax year only, personal property, including personal property exempt from Michigan property tax, that is located on tax day in an alternate location due to the COVID-19 pandemic, is assessed in its ordinary location. (S.B. 1203, Laws 2020, effective 12/30/2020.)

Individuals who received Michigan unemployment benefits during tax year 2020 will not have to pay penalties and interest related to underpaid estimated income tax. The Department of Treasury has granted an automatic waiver of the penalties and interest. Any penalty or interest otherwise levied on the 2020 income tax return is not eligible for the automatic waiver. (Notice: Estimated Tax Penalty and Interest Waiver for Individuals Who Received Unemployment Benefits in Tax Year 2020, Michigan Department of Treasury, 02/09/2021.)

Michigan has extended the deadline for 2020 individual and composite state income tax returns and payments to May 17, 2021. This applies to returns otherwise due on April 15, 2021. The extension is limited to 2020 taxes. First quarter estimates for tax year 2021 remain due on April 15, 2021. The extension does not apply to fiduciary returns or corporate income tax returns. City income tax taxpayers should contact their respective tax administrators for information regarding the city's potential conformity with IRS Notice 2021-59. Late filing and payment penalties and interest will not accrue during the automatic extension period. (Notice, Michigan Department of Treasury, 03/19/2021.)

MINNESOTA

The 2019 individual income tax return and payment deadline is extended to July 15, 2020. Taxpayers that file returns or pay their tax during this grace period will not be assessed penalties or interest. The grace period does not include state estimated tax payments for individual income taxes due April 15, 2020, for the 2020 tax year. The due date of April 15, 2020, for corporate franchise tax payments has not changed, but under current Minnesota law, corporations receive an automatic extension to file their state

return to the later of November 15, 2020, or the date of any federal extension to file. The Minnesota due date of April 15, 2020, for partnership, fiduciary, and S-corporation income tax payments has not changed, but under current Minnesota law, partnerships, fiduciaries, and S-corporations receive an automatic extension to file their state return to the date of any federal extension to file. (Bulletin: Additional Time to File and Pay Minnesota 2019 Individual Income Tax, Minn. Dept. Rev., 03/23/2020.)

Eligible businesses with a monthly or quarterly sales and use tax payment due March 20, 2020, will have until May 20 to make that payment. These customers should still file their return by March 20. (Sales Tax Payment Extension for Businesses Identified in Executive Order 20-04, Minn. Dept. Rev., 03/18/2020; Press Release, Minnesota Department of Revenue, 04/09/2020.)

Minnesota will not impose added individual income tax or payroll withholding tax requirements for Minnesota residents who ordinarily work outside the state but are temporarily telecommuting from a Minnesota location due to COVID-19. (COVID-19 FAQs for Individuals and COVID-19 FAQs for Businesses, Minnesota Department of Revenue, updated 04/14/2020.)

Taxpayers may request the department to abate late-payment or late-filing penalties or interest if they have a reasonable cause or are negatively affected by the COVID-19 pandemic. (Release, Minnesota Department of Revenue, 07/08/2020.)

Minnesota will treat repaid Paycheck Protection Program loan amounts the same way they are treated on the federal return. Taxpayers must include the \$600-a-week federal pandemic unemployment compensation payments in Minnesota adjusted gross income. All unemployment insurance payments are taxable income in Minnesota. The federal economic impact payments are not household income for the Minnesota property tax refund. (Law Change FAQs for Tax Year 2020, Minnesota Department of Revenue, 10/2020.)

Individuals may have received 2020 Forms W-2 with improperly allocated wages if they normally work in one state, but live in another state, and they worked from home due to the COVID-19 pandemic. For Minnesota individual income tax purposes, wages must be allocated to the state where the work was physically performed. Individuals should ask their employer for a Form W-2c (a corrected W-2) allocating income to the state in which the work was performed. (Bulletin, Minnesota Department of Revenue, 02/17/2021.)

Minnesota does not conform to the American Rescue Plan Act. Thus, if a taxpayer excludes any unemployment compensation from federal adjusted gross income (AGI) under the Act, the taxpayer must include that amount in Minnesota AGI. The Internal Revenue Service (IRS) advises taxpayers not to file amended returns related to the new legislative provisions at this time. The IRS will issue additional guidance. Taxpayers who have already filed an amended federal return must notify the Minnesota Department of Revenue within six months of amending the federal return. (News Release, Minnesota Department of Revenue, 03/26/2021.)

MISSISSIPPI

The deadline to file and pay 2019 individual income taxes and corporate income taxes is extended until July 15, 2020. The first quarter estimated tax payment and 2019 extension payments are extended until July 15, 2020. Penalty and interest accrual suspension is effective March 15, 2020, and remains in effect until the end of the national emergency. Withholding tax payments for the month of April are extended until May 15, 2020. Sales and use tax and property tax deadlines have not been extended, but the assessment of interest and penalties has been delayed. (Notice 2020-01, Miss. Dept. Rev., 03/23/2020; Press Release, Mississippi Department of Revenue, 03/26/2020; Mississippi Department of Revenue Response to Requests for Relief, Miss. Dept. Rev., 03/26/2020;

Notice 80-20-001, Mississippi Department of Revenue, 05/01/2020; Notice 80-20-002, Mississippi Department of Revenue, 05/05/2020.)

Mississippi will not change withholding requirements for businesses based on the employee's temporary telework location. Mississippi will not use any changes in the employees temporary work locations due to the pandemic to impose nexus or alter apportionment of income for any business while temporary telework requirements are in place. (Mississippi Department of Revenue Release, 03/26/2020.)

MISSOURI

The deadline to file and pay individual and corporate income tax returns has been automatically extended from April 15, 2020, to July 15, 2020. The payment relief applies to all individual income tax returns, income tax returns filed by C corporations, and income tax returns filed by trusts or estates. The relief for individuals and corporations also will include estimated tax payments for tax year 2020 that are due April 15, 2020. Taxpayers may still request an extension to file until October 15, 2020, if they cannot meet the new July 15 filing deadline. An extension to file is not an extension to pay taxes owed. Penalties and interest will begin to accrue on any remaining unpaid balances as of July 16, 2020. (News Release, Missouri Department of Revenue Extends Tax Filing Deadline, Allows Additional Time to Renew Driver Licenses and Motor Vehicle Registrations, Missouri Department of Revenue, 03/21/2020; News Release, Missouri Department of Revenue, 04/13/2020.)

Missouri has enacted legislation that exempts federal Coronavirus Aid, Relief and Economic Security (CARES) Act stimulus payments from state income tax; adopts new procedures for partnerships to report federal adjustments to income; and provides income tax relief for victims of the 9/11 and anthrax attacks that occurred in 2001. (S.B. 676, Laws 2020, effective 8/28/2020, and applicable as noted.)

Missouri has adopted an emergency rule for withholding and remitting income tax from wages for work performed from a temporary location due to the COVID-19 pandemic. It allows certain employers to elect to withhold and remit tax on the basis of a primary work location when employees were working from a temporary work location. (Reg. Sec. 12 CSR 10-2.019, Missouri Department of Revenue, effective 01/21/2021 and expiring 07/19/2021.)

MONTANA

Payment and filing deadlines for 2019 individual income taxpayers are extended to July 15 in accordance with the new federal filing deadline. The deadline for making estimated individual income tax payments has also been extended to July 15 for both first and second quarters 2020. (Montana DOR Release: Governor Bullock Extends Montana's Tax Filing Deadline to July 15, 2020, 03/20/2020.)

Payments to individuals from the federal government related to the coronavirus outbreak are exempt from state income tax. (Notice, Montana Department of Revenue, 04/01/2020.)

Regarding taxpayer payment plans, the Collections Bureau will do its best to accommodate and work with taxpayers. The Collections Bureau may allow deferral of payments for up to one month at a time. (Montana Department of Revenue Release—Payment Plans, 03/18/2020.)

The Department of Revenue advises that individuals, estates, and trusts who amend returns from tax years 2013 through 2019 to calculate or carry back a net operating loss should wait until the department issues guidance on a revised Montana Form NOL covering the period 2018 through 2020. (Notice, Montana Department of Revenue, 04/17/2020.)

Montana National Guard servicemembers provided support in the state related to COVID-19. The orders were not issued as part of a homeland defense activity or contingency operation. Accordingly, salaries received while serving under these orders are not exempt from Montana income tax. (Notice, Montana Department of Revenue, 06/30/2020.)

COVID-19 business grant income is taxable in the state. Although a grant recipient is required to include the grant in gross income, the recipient can deduct and/or capitalize the business expenses paid for with the grant funds. (Tax News You Can Use, Montana Department of Revenue, 01/19/2021.)

Any debt from PPP loans canceled by the SBA is specifically excluded from a taxpayer's gross income. Because Montana adjusted gross income includes federal adjusted gross income, the canceled debt is not included in the calculation of Montana adjusted gross income. The federal COVID-19 relief package passed in December also allows taxpayers to deduct expenses paid for with funds received from PPP loans. Accordingly, those expenses are included in the calculation of Montana adjusted gross income. (Notice, Montana Department of Revenue, 01/26/2021.)

Montana issued a reminder that unemployment benefits are considered regular income and are subject to federal income tax, but they are exempt from Montana income tax. (Notice, Montana Department of Revenue, 02/03/2021.) Taxpayers who filed their Form 2 as of March 12, 2021, should not amend their Montana returns to report this new federal exclusion of unemployment compensation, if it was already excluded on Montana Form 2. (Notice, Montana Department of Revenue, 03/17/2021.)

NEBRASKA

The time to file state income tax returns is extended to July 15, 2020. The extension also applies to state income tax payments and estimated tax payments. Interest abatement will be issued on a case-by-case basis (News Release: Gov. Ricketts Announces Extended Tax Deadline, Overviews the State's Continuity Plans, Office of Gov. Pete Ricketts, 03/23/2020.)

Employers do not need to change withholding for employees who are telecommuting during the emergency. The policy applies to employees working from a temporary location in or outside Nebraska due to the pandemic. The emergency withholding policy is effective beginning from the date of the national emergency declaration on March 13, 2020, and ending on January 1, 2021, unless there is an extension of the national emergency. (Frequently Asked Questions: Withholding Changes Due to COVID-19, Nebraska Department of Revenue, 05/19/2020.)

FAQs are available at: <https://revenue.nebraska.gov/businesses/frequently-asked-questions-about-income-tax-due-date-extension>. (Nebraska Department of Revenue, 04/08/2020.)

The CARES Act allows a federal exclusion for income from the forgiveness of a PPP loan. A taxpayer can also claim a federal deduction for expenses paid with a forgiven PPP loan. Nebraska follows the federal treatment of the income and expenses. (Business Income Taxes FAQs, Nebraska Department of Revenue, 02/17/2021.)

NEW HAMPSHIRE

New Hampshire 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, expansion of automatic filing extensions, and penalty safe harbors. The relief allows most taxpayers (98%) to file and pay for tax year 2019 by June 15 without penalties or interest.

For estimated payments, existing safe harbors are expanded to allow for no penalties due to the underpayment of estimates if 2020 quarterly payments total 100% of what was owed in tax year 2018, with at least 25% due in each quarter. (Press Release, New Hampshire Department of Revenue Administration, 03/30/2020; Technical Information Release TIR #2020-01, New Hampshire Department of Revenue Administration, 03/30/2020.)

All state-level COVID-19 financial relief distributed to taxpayers required to file a business profits tax (BPT) return, from New Hampshire's portion of the federal CARES Act funds, is included as income for BPT purposes. However, any state-level relief taking the form of a loan is not included as income for BPT purposes, unless that loan is forgiven or otherwise discharged. Additionally, any state-level relief received by taxpayers required to file a BET return that is utilized to pay wages or other compensation to employees, interest, or dividends will be included in the enterprise value tax base of the business and subject to the BET.

Generally, all federal-level COVID-19 relief distributed to taxpayers required to file a BPT return should be included as income for BPT purposes. However, any federal-level relief taking the form of a loan should not be included as income for BPT purposes, unless that loan is forgiven or otherwise discharged. Similar to the treatment of state-level relief, taxpayers are permitted a deduction for the expenses of operating a business, even if paid for with federal-level relief. Any federal-level relief received by taxpayers required to file a BET return that is utilized to pay wages or other compensation to employees, interest, or dividends shall be included in the enterprise value tax base of the business and subject to the BET. (Press Release, New Hampshire Department of Revenue, 08/18/2020.)

New Hampshire has released guidance discussing the taxability of certain state-level and federal-level COVID-19 financial relief programs under the business profits tax (BPT) and business enterprise tax (BET). (Technical Information Release TIR 2021-001, New Hampshire Department of Revenue Administration, 01/20/2021.) All federal-level COVID-19 relief distributed to taxpayers should be included as income for BPT purposes. However, any federal-level relief taking the form of a loan should not be included as income for BPT purposes, unless that loan is forgiven or otherwise discharged. Federal Paycheck Protection Program loans that are ultimately forgiven in accordance with the terms of that program may not be taxable federally but should be included as income for BPT purposes, subject to the exclusions in IRC §108.

The tax deadline for the State of New Hampshire will remain April 15, 2021. New Hampshire has determined that any extension to the April 15, 2021, due date, even by one month, risks causing confusion and does not offer meaningful relief to taxpayers who will still need to complete their 2020 tax return in order to calculate the estimated tax payment that continues to be due on April 15, 2021. (Announcements and Notices, New Hampshire Department of Revenue Administration, 03/26/2021.)

NEW JERSEY

The "COVID-19 Fiscal Mitigation Act" extends the due date for individual income, partnership, and corporation business taxpayers to file and make payments originally due on April 15, 2020, to July 15, 2020. The extension includes first quarter estimated tax payments. Penalties and interest will not be imposed on the balance of 2019 income tax due between the original due date and July 15. (Press Release, Governor Phil Murphy, 04/01/2020; Transcript: April 2, 2020, Coronavirus Briefing Media, New Jersey Governor Phil Murphy, 04/02/2020; Ch. 19 (S.B. 2338), Laws 2020, effective 04/14/2020.)

As a result of COVID-19 causing people to work from home as a matter of public health, safety, and welfare, the Division of Taxation will temporarily waive the impact of the legal threshold within N.J.S.A. 54:10A-2 and N.J.A.C. 18:7-1.9(a) which treats the presence of employees working from their homes in New Jersey as sufficient nexus for out-of-state corporations. (New Jersey Division of Taxation, COVID-19 Related Tax Information, April 2020.)

Regarding the employer withholding tax, during the temporary period of the COVID-19 pandemic, wage income will continue to be sourced as determined by the employer in accordance with the employer's jurisdiction. (Telecommuter COVID-19 Employer and Employee FAQ, New Jersey Division of Taxation, 05/06/2020.)

New Jersey has issued a notice discussing the application of sales tax to surcharges for COVID-19 precautions. Determining if the surcharge to cover COVID-19 costs, such as masks, gloves, and cleaning supplies, is subject to sales tax depends on whether the service provided or the product sold by a business is taxable. (Notice, New Jersey Division of Taxation, 07/24/2020.)

Filing a claim for a refund or credit under the Sales and Use Tax Act, the Gross Income Tax Act, and the State Uniform Procedure Law, have been extended until 90 days after the last day of the COVID-19 Public Health Emergency. (Press Release, New Jersey Division of Taxation, 08/20/2020.)

The extended due date for filing the 2019 New Jersey corporation business tax (CBT) annual return, which is currently October 15, 2020, will instead be November 16, 2020. The division will waive late-filing penalties if the return is filed by November 16, 2020. The penalty waiver also extends to 2019 fiscal year filers who have an extended fiscal year federal return. Interest and penalties may still apply. (Executive Order No. 189 (2020), Office of the Governor, 11/16/2020.)

New Jersey announced that it will follow the federal government's lead in allowing Paycheck Protection Program loans to be tax exempt from income tax at the state level, and enabling recipients to deduct business expenses that were paid with the tax-exempt loan proceeds. (Press Release, New Jersey Department of the Treasury, 02/09/2021.)

NEW MEXICO

New Mexicans will have an extra 90 days to file and pay their 2019 personal and corporate income taxes as follows: (1) New Mexico personal income tax returns and payments due between April 15, 2020, and July 15, 2020, may be submitted without penalty no later than July 15, 2020; (2) New Mexico corporate income tax returns and payments due between April 15, 2020, and July 15, 2020, may be submitted without penalty no later than July 15, 2020. Penalties will not be assessed as long as payment is received by the original statutory date that tax is due.

Most regular enforcement and collection efforts will resume August 1, 2020. The most severe collection activities, including new liens, seizures, and injunctions, are on hold through July 31. Taxpayers on payment plans will be offered an additional deadline extension of 30 days, for a total of 90 days, and taxpayers will be encouraged to make good faith payments to prevent defaults. (News Release: New Mexico Extends Income and Payroll Tax Deadlines, 03/20/2020; Press Release, New Mexico Taxation and Revenue Department, 05/29/2020; News Release, New Mexico Taxation and Revenue Department, 07/02/2020.)

The New Mexico Taxation and Revenue Department has issued new guidance on when grocery deliveries may be subject to gross receipts taxes. Bulletin B-200.34 provides examples of when a sale might or might not qualify for the deduction for food for home consumption. (New Mexico Bulletin, New Mexico Taxation and Revenue Department, 09/2020.)

Direct economic impact payments made to individuals provided through the CARES Act are an advance of a credit for 2020 and therefore not included in federal gross income. Since the payments are not included in this amount, they are not included in New Mexico taxable income. For both corporate and personal income taxes, Paycheck Protection Program loans have been determined to be loans that are not federal taxable income, even if forgiven, and therefore are also not taxable income for New Mexico state income taxes. PPP loans do not meet the statutory definition of gross receipts. The IRS provided guidance earlier in the year that the income provided to businesses from the CARES Act is generally taxable. If grant money is taxable at the federal level, it would be taxable at the state level. Most grants received through CARES Act funding are not subject to New Mexico gross receipts tax. (Bulletin B-100.37, New Mexico Taxation and Revenue Department, 02/2021.)

Governor Grisham signed Senate Bill 1 and Senate Bill 3 into law, which deliver additional stimulus and relief for New Mexico businesses and individuals. These economic relief measures provide a \$600 personal income tax rebate to front-line and low-wage workers, provide for a four-month tax holiday for food and beverage businesses, and make up to \$500 million available to New Mexico small businesses seeking loans at a discounted borrowing rate. (Release, New Mexico Taxation and Revenue Department, 03/05/2021.)

NEW YORK

New York will be following the federal income tax extension: income tax returns and tax payments may be filed and made on or before July 15, 2020, instead of April 15, 2020. The extension applies to returns for individuals, fiduciaries, and corporations taxable under Tax Law Articles 9, 9-A, and 33. In addition, taxpayers are allowed to defer all related tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. However, the due date for estimated tax payments due on June 15, 2020, for personal income, fiduciary, and corporate taxpayers was not changed. (Important Notice N-20-2, New York Department of Taxation and Finance, 03/2020; Important Notice N-20-8, New York Department of Taxation and Finance, 06/11/2020.)

New York has issued income tax filing guidance for individuals, partnerships, estates, and trusts regarding federal amendments made to the IRC after March 1, 2020, that do not apply to the state or New York City personal income taxes: www.tax.ny.gov/pdf/notices/n20-7.pdf. The guidance also explains how amended returns should be handled. (Important Notice N-20-7, New York Department of Taxation and Finance, 06/10/2020.)

The New York Department of Taxation and Finance has extended the period during which the department will accept digital signatures until July 15, 2020. (Important Notice N-20-5, New York Department of Taxation and Finance, 05/2020.)

The interest and penalties deadline for taxpayers who were required to file returns and remit sales and use taxes by March 20, 2020, is temporarily extended. Taxpayers who were unable to timely file and pay quarterly and annual sales tax returns that were due on March 20, 2020, as a result of COVID-19, must now file and pay any amount due by June 22, 2020. Monthly sales tax filers, and participants in the Promptax program for sales and use tax or prepaid sales tax on fuel, are not eligible for the relief. (New York Special Tax Department Notice No. N-20-1, 03/01/2020; Important Notice N-20-6, New York Department of Taxation and Finance, 05/22/2020.)

The Tax Commissioner has the authority to abate interest on quarterly and part-quarterly (monthly) sales and use tax filing and remittances with a due date of December 21, 2020. This generally applies to taxpayers that are principally engaged in business in New York City as a restaurant or other food service establishment. However, returns must be filed and the amount due

must be paid by March 22, 2021, for this relief to apply. (Important Notice N-20-12, New York Department of Taxation and Finance, 12/18/2020.)

The New York City Department of Finance will allow a waiver of penalties for DOF-administered business and excise taxes due between March 16, 2020, and April 25, 2020. Taxpayers may request to have the penalties waived on a late-filed extension or return, or in a separate request. Taxpayers who file an extension or return or make a tax payment in accordance with these rules will not be subject to any late filing, late payment, or underpayment penalties. However, any applicable interest must be paid on all tax payments received after the original due date calculated from the original due date to the date of payment. (New York City Finance Memorandum No. 20-2, 03/19/2020.)

SB 7509 contains a variety of personal income, corporate franchise, property, and other tax changes. The bill text is available at: <https://legislation.nysenate.gov/pdf/bills/2019/s7509b>

Governor Cuomo has issued an executive order extending the period for paying property taxes without interest or penalties by 21 days in certain localities. (Executive Order No. 202.36, New York Governor's Office, 06/02/2020.)

The New York City business corporation tax, general corporation tax, banking corporation tax, and unincorporated business tax are decoupled from certain federal income tax changes contained in the CARES Act. (Ch. 121 (S.B. 8411), Laws 2020, effective 06/17/2020, Finance Memorandum 20-6, New York City Department of Finance, 09/22/2020.)

For a nonresident whose primary office is in New York, days telecommuting during the pandemic are considered days worked in New York, unless the employer has established a bona fide employer office at the employee's telecommuting location. Generally, unless the employer specifically acted to establish a bona fide employer office at the telecommuting location, the nonresident employee will continue to owe New York income tax on income earned while telecommuting. (Telecommuting FAQ, New York Department of Taxation and Finance, 10/19/2020.)

NORTH CAROLINA

Taxpayers have an automatic extension of time to file income and franchise tax returns from April 15, 2020, to July 15, 2020. There is penalty relief for taxpayers paying income tax due on April 15, 2020. The extension applies to income and franchise tax returns originally due on April 15, 2020, from individuals, corporations, partnerships, trusts, and estates. For North Carolina income and franchise tax returns originally due on April 15, 2020, and now extended to July 15, 2020, no penalty will be imposed for failure to pay tax if the tax is paid by July 15, 2020. Taxpayers that do not pay estimated income tax between April 15, 2020, and July 15, 2020, continue to be liable for failure to timely pay estimated income tax.

Interest from April 15, 2020, through July 15, 2020, will not run on an underpayment of tax for returns due from April 15, 2020, through July 15, 2020. The waiver of interest applies to: corporation income and franchise tax returns; partnership income tax returns; estate and trust income tax returns; and individual income tax returns. It also applies to interest on the underpayment of estimated corporation and personal income tax due by July 15, 2020. (Ch. 2020-3 (S.B. 704), Laws 2020, effective 05/04/2020.)

COVID-19 tax penalty relief is extended from March 15, 2020, through July 15, 2020, for the sales and use tax penalties for failing to obtain a license, to file a return, or to pay taxes, if the corresponding license is obtained, the return is filed, or the tax is paid on or before July 15, 2020. (Important Notice: Department of Revenue Extends the Time to File Income and Franchise Tax Returns to July 15, 2020, N.C. Dept. of Rev., 03/23/2020; Important Notice: Department of Revenue

Expands Penalty Relief for Taxpayers Affected by Coronavirus Disease 2019 (COVID-19), North Carolina Department of Revenue, 03/31/2020.)

The Governor signed legislation that requires income tax adjustments for various tax provisions under the CARES Act. (Ch. 2020-58 (H.B. 1080), Laws 2020, effective 06/30/2020.)

North Carolina does not tax income from the forgiveness of PPP loans if the taxpayer excludes the income on their federal tax return. North Carolina does not allow a deduction for expenses paid with PPP loans. It requires an addition to federal taxable income or federal adjusted gross income if the taxpayer pays expenses with proceeds from a PPP loan; reasonably expects to receive forgiveness of the loan on the basis of the expenses paid; and excludes the income from the PPP loan forgiveness on their federal return. Taxpayers must make the addition adjustment even if the taxpayer has not applied for loan forgiveness by the end of the tax year. (Paycheck Protection Program, North Carolina Department of Revenue, 02/19/2021.)

NORTH DAKOTA

The North Dakota extension applies to all taxpayers that have a filing or payment deadline falling on or after April 1, 2020, and before July 15, 2020. Individuals, trusts, estates, and business entities qualify for the extension. The expanded extension also provides relief for estimated tax payments due June 15, 2020. Any individual or corporation that has a quarterly estimated tax payment due on or after April 1, 2020, and before July 15, 2020, can wait until July 15 to make that payment, without interest. (Notice, North Dakota State Tax Commissioner's Office, 04/15/2020.)

If the telecommuting is attributable to a COVID-related response and is intended to be temporary, North Dakota will not assert income tax nexus on that basis alone. Likewise, in the case of employees whose payroll is ordinarily assignable to another state, North Dakota will not require inclusion of that payroll in the numerator of the payroll factor if the telecommuting from North Dakota is attributable to a COVID-related response and is intended to be temporary. (COVID-19 Tax Guidance FAQs, North Dakota Office of State Tax Commissioner, 04/2020.)

North Dakota announced that individual income tax filers have until May 17, 2021, to file their income tax return and pay the tax due. The Tax Commissioner has put in place a waiver of income tax penalty and interest, which allows taxpayers until May 17 to file and pay. (News Release, North Dakota Tax Commissioner's Office, 03/18/2021.)

North Dakota conforms to the federal American Rescue Plan Act provision under which the first \$10,200 of unemployment benefits are not subject to income tax. This applies to unemployment benefits received in 2020 for taxpayers having an adjusted gross income of less than \$150,000. (News Release, North Dakota Tax Commissioner's Office, 03/18/2021.)

OHIO

The extended deadline for filing individual and business income tax returns is July 15, 2020. The extension also applies to estimated tax payments and the state-administered municipal net profit tax. Interest and penalties will be waived. (Ohio House Bill 197, 3/27/2020.)

The receipts from any forgiven indebtedness that is excluded from the gross income of the taxpayer for federal income tax purposes under the CARES Act are excluded from the definition of gross receipts for the Commercial Activity Tax. (H.B. 481, Laws 2020, effective 06/19/2020.)

OKLAHOMA

Taxpayers now have until July 15, 2020, to file and pay their 2019 income tax return. This is applicable to income tax due from tax year 2019 and the first quarter payment for tax year 2020, both of which would normally be due on April 15, 2020. (Oklahoma Tax Commission extends Oklahoma income tax filing date to July 15, 2020, Oklahoma Tax Commission, 03/23/2020.)

In the event the Oklahoma Governor declares a catastrophic health emergency, and upon the written request of the county treasurer, the board of county commissioners will postpone delinquent personal and real property tax sales and related delinquent tax notices and publications. The county treasurer will designate a period of postponement of up to one year. (H.B. 2740, Laws 2020, effective 05/18/2020.)

OREGON

For personal income, transit self-employment, estate, partnership, S corporation, and corporate excise/income taxpayers and filers, the return filing due date is automatically extended until July 15, 2020, for any returns due on or after April 1, 2020, and before July 15, 2020; the return filing due date is automatically extended until July 15, 2020, for any returns with a valid six-month extension period ending on or after April 1, 2020, and before July 15, 2020; and the tax payment deadline for payments due with the tax year 2019 tax return is automatically extended to July 15, 2020.

Corporate excise/income or personal income tax returns required to be filed with regard to an estate or trust are also eligible for this relief. Fiscal year returns and related payments due after July 15, 2020, are not extended at this time. (Revenue Director's Order 2020-02, Or. Dept. of Rev., 04/20/2020.) Regarding estimated payments of the Corporate Activity Tax, businesses that will owe less than \$10,000 are not required to make quarterly estimated tax payments during 2020. (Press Release, Oregon Department of Revenue, 04/29/2020.) Oregon has determined that certain federal assistance to businesses under the CARES Act is not commercial activity and will not be subject to the Corporate Activity Tax. (PPP loans, EIDL advances, SBA loan subsidies not subject to CAT, Oregon Department of Revenue, 05/06/2020; also see www.oregon.gov/newsroom/Pages/NewsDetail.aspx?newsid=36902)

Because of the extension of the due dates for filing returns and making payments, any interest and penalties begin accruing on July 16, 2020. Oregon announced the following relief that applies to personal income, corporate excise, and corporate income taxes: 100% penalty waivers on 2019 income tax due from businesses that are impacted by COVID-19; 100% interest waivers on 2019 income tax due from small businesses that are impacted by COVID-19 and that have less than \$5 million in gross receipts; and continuing to provide extended payment plans of up to 36 months for any taxpayer impacted by COVID-19 when entering into an approved payment plan. (Oregon offering tax relief due to pandemic, wildfires, Oregon Department of Revenue, 12/15/2020.)

No automatic extension is provided for the payment or deposit of any other type of Oregon tax or for the filing of Oregon information returns. (Oregon Department of Revenue, Revenue Director Order 2020-01, 3/24/2020.)

The Oregon Department of Revenue has extended the deadline for applying for the senior or disabled property tax deferral to June 15, 2020. The due date for filing for recertification remains April 15, 2020. (COVID-19 tax relief options, Or. Dept. of Rev., 04/22/2020.)

For Oregon corporate excise (income) and personal income tax purposes, the presence of teleworking employees in Oregon won't be treated as a relevant factor when making a nexus determination if the employee(s) in question are regularly based outside Oregon. The guidance

applies between March 8, 2020, and the expiration of the COVID-19 notice. (COVID-19 Tax Relief Options, Oregon Department of Revenue, 07/28/2020; COVID-19 Tax Relief Options, Oregon Department of Revenue, 11/23/2020; Tax relief options, Oregon Department of Revenue, 03/15/2021.)

Federal Economic Impact Payments (EIPs) are not taxed as income in Oregon. However, the payments may impact the federal tax calculations used on Oregon income tax returns. Under current Oregon law, taxpayers' federal income tax subtraction will be reduced by the combined total of their EIPs. This means some Oregon income tax filers may owe state tax on more of their income and, therefore, may have a larger Oregon income tax bill or a reduced refund. (Economic Impact Payments, Oregon Department of Revenue, 02/12/2021.)

PENNSYLVANIA

The deadline for taxpayers to file their 2019 Pennsylvania personal income tax returns is extended to July 15, 2020. Estimated payments for the first and second quarters of 2020 will be due by July 15, 2020. (www.media.pa.gov/Pages/Revenue-Details.aspx?newsid=307)

The due date for corporation income tax returns due in May is extended to August 14, 2020. The following deadlines are also extended:

- Deadline to July 15, 2020, for declarations of estimated personal income tax;
- Deadline to July 15, 2020, for payments of estimated personal income tax;
- Deadline to July 15, 2020, for the filing of informational returns related to Pennsylvania S corporations and partnerships (Form PA-20S/PA-65), and estates and trusts (Form PA-41); and
- Filing date by three months for certain information returns (1099-R, 1099-MISC, and W2-G).

Pennsylvania is also extending the due date for non-resident withholding and partnership corporate net income tax withholding payments to July 15.

The Department of Revenue will not default any payment plans during this limited timeframe, even if new delinquencies or non-filed periods arise. However, interest will continue to accrue on any unpaid tax balances.

The Department of Revenue is waiving the sales tax prepayment requirement in April, May, and June of 2020. The department is asking businesses to simply remit the sales tax that they collected during the prior month. The due dates to remit sales tax will be April 20, May 20, and June 22, which follows the standard due dates for monthly filers who have no prepayment requirement. (Waiver of Penalties on Accelerated Sales Tax Prepayments, Pa. Dept. of Rev., 03/19/2020; Extension of Filing Deadline Applies to Trusts/Estates, Partnerships and S Corporations, Pennsylvania Department of Revenue, 04/02/2020; Press Release, Office of Pennsylvania Governor Tom Wolf, 04/14/2020; Press Release, Pennsylvania Department of Revenue, 04/15/2020.)

As a result of COVID-19 causing people to temporarily work from home as a matter of safety and public health, the Department of Revenue will not seek to impose CNIT nexus solely on the basis of this temporary activity occurring during the duration of this emergency. Philadelphia will temporarily waive the legal nexus threshold of the BIRT. Services performed by Philadelphia non-resident employees, who previously were working in Philadelphia but are now working at home outside the city because of the pandemic, will be deemed as performed within Philadelphia for the purposes of sourcing receipts for BIRT and NPT. (Pennsylvania Department of Revenue FAQs, 04/03/2020; Business Income & Receipts Tax (BIRT), Net Profits Tax (NPT) Nexus and Apportionment Policies Due to the COVID-19 Pandemic, Philadelphia Department of Revenue, 04/22/2020; Telework During the COVID-19 Pandemic, Pennsylvania Department of Revenue, 11/9/2020.)

If an employee is working from home temporarily due to the COVID-19 pandemic, Pennsylvania does not consider that a change to the sourcing of the employee's compensation. For non-residents who were working in Pennsylvania before the pandemic, their compensation remains Pennsylvania sourced income for all tax purposes. This includes for purposes of PA-40 reporting, employer withholding and three-factor business income apportionment for S corporations, partnerships and individuals. For Pennsylvania residents who were working out-of-state before the pandemic, their compensation remains sourced to the other state and they can still claim a resident credit for tax paid to the other state on the compensation. For Pennsylvania employers with non-resident employees temporarily working from home due to the COVID-19 pandemic in a state that doesn't have a reciprocity agreement with Pennsylvania, Pennsylvania advises that the employee's compensation remains Pennsylvania sourced, and the employer must withhold on the compensation. This temporary guidance will be in effect until the earlier of June 30, 2021, or 90 days after the Proclamation of Disaster Emergency in Pennsylvania is lifted. (Telework During the COVID-19 Pandemic, Pennsylvania Department of Revenue, 11/9/2020.)

The additional hazard pay authorized in Pennsylvania for employees in life-sustaining occupations is taxable as compensation for personal income tax. Hazard pay is intended to keep front-line employees working in vital industry sectors across Pennsylvania. (COVID-19 Information, Pennsylvania Department of Revenue, last updated 07/23/2020.)

Pennsylvania enacted legislation clarifying the treatment of Paycheck Protection Plan (PPP) loans for personal and corporate net income tax purposes. For personal income tax purposes, PPP loans used to pay business expenses during the COVID-19 pandemic that are subsequently forgiven by the lender are not taxable income. No deduction may be disallowed for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan. Stimulus checks, otherwise known as economic impact payments, being distributed by the federal government are not subject to Pennsylvania personal income tax. For corporate net income tax, Pennsylvania taxable income is based upon federal taxable income. Pennsylvania law does not include an add back to or deduction from federal taxable income for forgiveness of a PPP loan. (Taxability of Paycheck Protection Plan Loans/Federal Stimulus Checks Not Subject to PA Taxes, Pennsylvania Department of Revenue, 02/09/2021.)

Pennsylvania has released guidance regarding income tax treatment of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) relief payments. The guidance includes: Coronavirus-Related Distributions on retirement accounts, early distributions are subject to tax; Economic Impact Payments are not subject to personal income tax; Economic Injury Disaster Loans are treated as a grant not subject to tax; Paycheck Protection Program forgiven loans are not taxable for personal income tax purposes and for corporate purposes there is no add back to or deduction from federal taxable income. See the guidance for a full list. (Coronavirus Aid, Relief, and Economic Security (CARES) Act: Pennsylvania Taxability, Pennsylvania Department of Revenue, 02/12/2021.)

Philadelphia has released information regarding taxability of Economic Injury Disaster Loan (EIDL) grants, Targeted EIDL Advances, SBA Loan Subsidy Payments, and Shuttered Venue Operator Grants ("COVID-19 Grants") for purposes of the Business Income and Receipts Tax (BIRT) and the Net Profits Tax (NPT). (Philadelphia's treatment of grants authorized by the CARES Act and Consolidated Appropriations Act, 2021 (CAA), City of Philadelphia Department of Revenue, 02/18/2021.)

Pennsylvania has announced that the deadline for taxpayers to file their 2020 Pennsylvania personal income tax returns and make final 2020 income tax payments is extended to May 17, 2021. Taxpayers who make estimated income tax payments should continue to do so on the same filing schedule that they would normally follow. This includes taxpayers with estimated tax payments due on April 15, 2021. (News Release, Pennsylvania Pressroom, 03/18/2021.)

RHODE ISLAND

Rhode Island has extended the due dates for certain tax filings and tax payments from April 15, 2020, to July 15, 2020. No penalties and no interest will apply to those who file on or before July 15, 2020. A list of individual and business filings affected by the extensions can be found at: www.tax.ri.gov/Advisory/ADV_2020_11.pdf.

In addition, the new deadline applies to fiduciary income tax returns and payments filed by estates and trusts related to the 2019 tax year that would normally be due on April 15, 2020. The new deadline also applies to first and second quarter estimated payments of Rhode Island income tax for the 2020 tax year by individuals, estates, and trusts. (Rhode Island Department of Revenue, Division of Taxation, ADV-2020-11, 3/27/2020; ADV 2020-11 (revised), Rhode Island Division of Taxation, 04/06/2020; ADV 2020-21, Rhode Island Division of Taxation, 05/21/2020.)

Rhode Island will continue to treat as Rhode Island-source income the income of employees who are nonresident individuals temporarily working outside of Rhode Island solely due to the COVID-19 state of emergency. Rhode Island will not require employers located outside of the state to withhold Rhode Island income taxes from the wages of employees who are resident individuals but who are temporarily working within Rhode Island solely due to the COVID-19 state of emergency. The emergency rules are in effect until May 18, 2021. (280-RICR-20-55-14, Rhode Island Department of Revenue, effective 05/23/2020; ADV 2020-22, Rhode Island Division of Taxation, 05/26/2020.)

Corporate income tax nexus and sales and use tax nexus will not be established solely because an employee is temporarily working remotely in Rhode Island. Property that is temporarily located in Rhode Island during the state of emergency for telework purposes, such as computer equipment, will not trigger nexus for Rhode Island corporate income tax or sales and use tax purposes. The performance of any services by such employees within Rhode Island will not cause their employer to lose the protection of Public Law 86-272. Services performed by employees who previously worked in another state, but who are now working remotely from Rhode Island, will not be considered to increase the numerator of their employer's payroll factor for purposes of apportioning income. (ADV 2020-24, Rhode Island Division of Taxation, 05/28/2020.)

Rhode Island will automatically issue temporary 90-day sales permits to allow retailers with sales tax permits that would normally not be renewed on July 1, 2020, because of non-compliance due to COVID-19 to continue to legally operate while making arrangements to come back into compliance. (Advisory 2020-28, Rhode Island Division of Taxation, 06/11/2020.)

SOUTH CAROLINA

The due date for income tax returns and payments has been automatically extended to July 15, 2020, for individual, C corporation, and trust returns originally due April 15, 2020. This includes quarterly estimated payments due on April 15, 2020, and June 15, 2020. Interest or penalties related to this tax relief will be waived. Returns and payments on the following South Carolina forms qualify for the relief: SC 1040, SC 1120, SC 1120U, SC 1120S, SC 1065, SC 1101B, SC 1104, SC 1041, and SC 990-T.

Federal COVID-19 economic stimulus payments are not subject to South Carolina personal income tax. (Information Letter 20-13, South Carolina Department of Revenue, 06/11/2020.)

For all taxes other than income taxes (i.e., state sales and use taxes, local sales and use taxes collected by the DOR, accommodation taxes, beer, wine and liquor taxes, and motor fuel user fees), all tax returns and payments due April 1 through June 1 are now due June 1, 2020. (South Carolina Information Letter No. 20-4, 03/23/2020; South Carolina Information Letter No. 20-3, 03/17/2020; Information Letter 20-8, South Carolina Department of Revenue, 04/13/2020.)

During the COVID-19 relief period (March 13, 2020–June 30, 2021):

- South Carolina will not use changes solely in an employee’s temporary work location due to the remote work requirements arising from or during the relief period as a basis for establishing nexus or altering apportionment of income;
- A South Carolina business’s withholding requirements are not affected by the current shift of employees working on the employer’s premises in South Carolina to teleworking from outside of South Carolina; and
- An out-of-state business is not subject to South Carolina’s withholding requirement solely due to the shift of employees working on the employer’s premises outside of South Carolina to teleworking from South Carolina.

(Information Letter 20-11, South Carolina Department of Revenue, 05/15/2020; Information Letter 20-29, South Carolina Department of Revenue, 11/30/2020.)

Any COVID-19 surcharge, fee, handling fee, or takeout charge imposed by a retailer is included as gross receipts and subject to the South Carolina sales and use tax. (Information Letter 20-23, South Carolina Department of Revenue, 08/05/2020; Information Letter 20-24, South Carolina Department of Revenue, 08/26/2020.)

For tax year 2020, to the extent that loans under the Paycheck Protection Program are forgiven and excluded from gross income for federal income tax purposes, the loans are also excluded for South Carolina income tax purposes. In addition, to the extent that the federal government allows the deduction of expenses associated with the forgiven PPP loans, those expenses will be allowed as a deduction for South Carolina income tax purposes. (Information Letter 20-28, South Carolina Department of Revenue, 11/02/2020.)

TENNESSEE

The due date for filing and paying franchise and excise tax (including the Hall income tax) is extended from April 15, 2020, to July 15, 2020. Taxpayers will have until July 15, 2020, to file returns and make any payments (including quarterly estimated payments) originally due on April 15, 2020. Interest and late filing penalties will not be applied to returns filed and payments made on or before this extended due date. The October 15, 2020, six-month extension date for the calendar year 2019 return remains unchanged.

Tennessee has extended the due date for filing and paying the state and local business tax from April 15, 2020, to June 15, 2020, and the due date for filing and paying the professional privilege tax is extended from June 1, 2020, to July 1, 2020. (Tennessee Department of Revenue Special Notices 20-05, 20-06, 20-07 (March 2020); Important Notice No. 20-11, Tennessee Department of Revenue (April 2020))

Tennessee has released information discussing the effect of certain CARES Act provisions on Tennessee law (business interest expense limitation, PPP loan forgiveness, NOLs, and qualified improvement property). (Impact of the CARES Act, Tennessee Department of Revenue, 07/29/2020.)

TEXAS

Texas has extended the due date for 2020 franchise tax reports and payments to July 15, 2020. The automatic due date extension applies to all franchise taxpayers. See the News Release for franchise taxpayers who need an extension beyond July 15, 2020. (News Release, Texas Comptroller of Public Accounts, 04/02/2020.) Texas then clarified that entities that properly secure a second extension (after filing a first extension by July 15) will have until January 15, 2021, to file their franchise tax report (the due date is extended from November 15 as a relief from the COVID-19

pandemic). The deadline for filing a franchise tax second extension request for mandatory electronic payers was August 17, 2020. (August 2020 Tax Policy News, Texas Comptroller of Public Accounts, 08/2020.)

Sales tax collected in February 2020 must be remitted by March 20, 2020. For businesses struggling to pay the full amount of sales taxes they collected in February 2020, short-term payment agreements and waivers of penalties and interest are available. Call the Enforcement Hotline at (800) 252-8880. (News Release, Texas Comptroller of Public Accounts, 03/17/2020; COVID-19 News, Texas Comptroller of Public Accounts, 03/31/2020.)

Federal law excluding forgiven Paycheck Protection Program (PPP) loan amounts from gross income for tax purposes does not apply to the Texas franchise tax. Because of Texas's January 1, 2007, federal conformity date, Texas must enact legislation to exclude PPP loan forgiveness from total revenue. (Tax Policy News, Texas Comptroller of Public Accounts, 02/2021.)

UTAH

In conformity with IRS guidelines, individuals and corporations will generally have until July 15, 2020, to file and pay their 2019 tax return. (Utah News Release on Approval of Extended Filing and Payment Deadlines, Utah State Tax Comm'n, 03/26/2020.)

Income tax returns and payments are due by the later of the 15th day of the fourth month following the close of the taxable year, or the date by which the taxpayer must file and pay for federal income tax purposes. Utah corporate estimated income tax due dates will align with the federal estimated tax due dates. (H.B. 3003, Laws 2020, Third Special Session, applicable to taxable years beginning on or after 01/01/2019, except as noted.)

Interest and penalties are waived for late-filed 2019 tax returns and payments. (Amended Utah Admin. R. § R861-1A-42 (Waiver of Penalty and Interest for Reasonable Cause Pursuant to Utah Code Ann. Section 59-1-401))

The Utah State Tax Commission has not taken an official position on the request to extend the deadline to pay sales and use tax.

Utah will not tax certain amounts received by taxpayers in response to COVID-19. The tax relief applies for tax years beginning on or after January 1, 2020, for amounts received as a forgiven loan under the federal Paycheck Protection Program (PPP) or a similar program; an individual recovery rebate; or a grant or a forgiven loan provided by the state, a county, or a municipality in response to COVID-19 using federal funds. (Ch. 15 (S.B. 6005), Laws 2020, Sixth Special Session.)

For the 2018 through 2020 tax years, Utah removes the 80% limitation on net loss carryforwards for corporate franchise and income tax return filers. (Ch. 10 (H.B. 6013), Laws 2020, Sixth Special Session.)

VERMONT

Filing and payment due dates for the following Vermont taxes have been extended from April 15, 2020, to July 15, 2020: corporate income tax, personal income tax, homestead declarations and property tax claims, and fiduciary income tax. This includes any tax year 2020 estimated payments that were due for these taxes between April 15, 2020, and July 15, 2020. Vermont is waiving penalties and interest for estimated income tax payments originally due June 15, 2020, provided that they are paid by July 15, 2020. This applies to personal income tax, corporate and business/passthrough income tax, and fiduciary and estate income tax.

Taxpayers who are unable to meet the March 25, 2020, and April 25, 2020, sales and use tax deadlines will not be charged any penalty or interest. (Press Release, Vt. Dept. of Taxes, 03/23/2020; Coronavirus (COVID-19) Update: 2020 Vermont Tax Relief, Frequently Asked Questions, FS-1272, Vt. Dept. of Taxes, 03/25/2020; Press Release, Vt. Dept. of Taxes, 05/19/2020.)

A nonresident temporarily living and working in Vermont is required to pay Vermont income taxes on the income earned while living and performing work in the state. This is true even if the individual is in Vermont because of the COVID-19 pandemic, and it applies regardless of whether the employer is located inside or outside of the state. For businesses having remote workers located in Vermont only on a temporary basis, Vermont will not require the business to change the employee's withholding state. (Notice, Vermont Department of Taxes, 06/2020.)

Vermont announced that the personal income tax filing and payment due date for tax year 2020 has been extended to May 17, 2021. The due date for any tax year 2021 estimated payments due on April 15, 2021, has not been extended; those payments should still be made by April 15, 2021. (Notice, Vermont Department of Taxes, 03/18/2021.)

VIRGINIA

All income tax payments due between April 1, 2020, to June 1, 2020, can be submitted any time on or before June 1, 2020. Late-payment penalties will be automatically waived as long as full payment is received by June 1, 2020. If the full amount is not paid by June 1, 2020, the penalty waiver will not apply, and late payment penalties will accrue from the original date that the payment was due. Interest will continue to accrue from the original date of the payment. The following taxes are eligible for the payment extension and penalty waiver: individual, corporate, fiduciary income taxes, and any estimated income tax payments during this period. The waiver does not provide a filing extension and all returns are due by their relevant due dates. Virginia does provide an automatic filing extension to all taxpayers for up to six months (seven months for certain corporations), and no application is required to apply the extension. (Virginia Tax Bulletin 20-4, Va. Dept. of Tax'n., 03/20/2020.)

Sales tax dealers may make a request for an extension on filing and paying the February 2020 sales tax return due on March 20, 2020. If a request is granted, then the filing and payment will be April 20, 2020, with a waiver of penalties. Interest will still accrue. (Virginia Tax Bulletin 20-3, Va. Dept. of Tax'n., 03/19/2020.)

A temporary Virginia retail sales and use tax exemption is enacted for personal protective equipment (PPE). No exemption is allowed for a purchase by a qualifying business for other than business use. (Ch. 55 (H.B. 2185) and Ch. 56 (S.B. 1403), Laws 2021, Special Session I, effective 03/11/2021.)

Virginia has ruled that loan proceeds paid out under the Paycheck Protection Program are not gross receipts for purposes of the business, professional, and occupation license tax. This is true regardless of whether some part or all of such loans are forgivable. (Ruling of Commissioner, P.D. 21-12, Virginia Department of Taxation, 02/09/2021.)

WASHINGTON

Quarterly filers of sales tax and business and occupation (B&O) tax returns may file the return for the first quarter by June 30, 2020. Annual filers may file their return by June 15, 2020. (Business Relief During COVID-19 Pandemic, Washington Department of Revenue, 04/08/2020.)

Businesses receiving assistance from federal programs (including the Paycheck Protection Program (PPP)) to cope with the effects of the COVID-19 pandemic should not report or pay B&O tax on these amounts. The department will delay any final determination until after the legislature has the opportunity to act. (Tax Topics, Washington Department of Revenue, 05/12/2020.)

Alcohol sold for sanitizing purposes is subject to Washington sales tax and B&O tax. Bona fide donations of alcohol are not taxable. Alcohol sold to hospitals and first responders is subject to the retail sales tax. Sales to a free hospital are exempt. (Tax Topics, Washington Department of Revenue, 04/09/2020.)

Governor Inslee has provided further excise tax relief due to COVID-19 such that interest on tax payments will be waived from February 29, 2020, through the end of the emergency or September 1, 2020, whichever occurs first. The issuance of tax warrants, notices of withhold and deliver, and revocations are delayed until September 1. (Proclamation 20-20.6, Office of the Governor, 08/03/2020.)

WEST VIRGINIA

The deadline to file 2019 annual income tax returns for individuals, trusts or estates, and C corporations has been extended from April 15, 2020, to July 15, 2020. This extension does not apply to any other tax collected by the Tax Commissioner. This relief also extends to estimated tax payments for tax year 2020 that are due between April 15, 2020, and June 15, 2020, for individuals, trusts or estates, corporations, and pass-through entities.

Income tax payment deadlines for individual and corporate annual income returns with a due date of April 15, 2020, are extended until July 15, 2020. This payment relief applies to all individual income tax returns, income tax returns filed by C corporations, and income tax returns filed by trusts or estates with a statutory due date of April 15, 2020.

Failure to pay any balance of tax due by July 15, 2020, will result in the accrual of penalties and interest beginning July 16, 2020. Individuals, trusts and estates, and corporations that request an extension of time to file to October 15, 2020, must still pay any liability by July 15, 2020, to avoid the accrual of interest and penalties. (State Tax Department, Administrative Notice 2020-16, 3/26/2020.)

WISCONSIN

Corporate income tax and personal income tax payments and return due dates are automatically extended to July 15, 2020. The extension applies to individuals, trusts, estates, partnerships, associations, companies, and corporations. The relief is solely for income tax payments, estimated income tax payments, and returns due April 15, 2020, regardless of whether this is the original or extended due date. Taxpayers do not have to file any extension forms to be eligible for the new due date, and there is no limit on the amount of payment to be postponed. There will be no interest or penalty imposed for the period of April 15, 2020, to July 15, 2020. (Wisconsin Extends Tax Filing and Payment Deadline to July 15 Due to COVID-19 Pandemic, Wis. Dept. Rev., 03/21/2020; News for Tax Professionals, Wis. Dept. Rev., 04/10/2020.)

Small businesses can immediately request an extension to file sales and use tax returns due March 31, 2020, until April 30, 2020, and due April 30, 2020, until June 1, 2020. The DOR will not assess late-filing fees or penalties if sales/use tax returns are filed by April 30 or June 1. (Notice, Wis. Dept. Rev., 03/27/ 2020.)

Wisconsin has specifically adopted certain recent amendments made by the federal CARES Act (P.L. 116-136), including a partial above-the-line deduction for charitable contributions, the suspension of certain limitations on charitable contribution deductions, an exclusion for payroll protection loan forgiveness, an exclusion for certain employer payments of students loans, and special rules on the use of retirement funds. (Act 185 (A.B. 1038), Laws 2020, effective 04/17/2020.)

Wisconsin will not consider an out-of-state business to have nexus if its only Wisconsin activity is having an employee working temporarily from the employee's home during the pandemic. For employers, Wisconsin's withholding tax requirements for wages paid to an employee have not changed. However, the Department of Revenue has provided examples in its withholding tax update illustrating how employers and employees may be subject to different tax requirements when an employee telecommutes from home instead of working at the employer's business location. (Withholding Tax Update 2020-1 and Wisconsin Tax Bulletin 211, Wisconsin Department of Revenue, 11/2020.)

Updated guidance has been released that clarifies that both federal and Wisconsin law provide an exclusion from income for forgiveness of debt on the original PPP loans. However, expenses incurred that are paid with the forgivable PPP funds (original) are not deductible for Wisconsin income/franchise tax purposes and must be added back to Wisconsin income in the year incurred or paid. The Wisconsin 2020 tax form instructions have been updated to explain how to report the noted differences. (News for Tax Professionals, Wisconsin Department of Revenue, 01/22/2021.)