

April 23, 2025

## **Important Notice: Additional Time for Victims of Hurricane Helene to Qualify for Penalty Relief**

The following important information is addressed in this notice:

- Background
- Who Qualifies for State Penalty Relief
- State Penalty Relief
- Exception to State Penalty Relief
- State Interest Relief
- How to Receive State Penalty Relief
- Legal Authority
- Assistance

### **Background**

On October 3, 2024, the North Carolina Department of Revenue (“Department”) [announced](#) State tax relief for taxpayers impacted by Hurricane Helene. This State tax relief removed certain “Late Action Penalties” assessed against “Affected Taxpayers” in accordance with [State law](#).

On April 17, 2025, the Internal Revenue Service (“IRS”) [announced](#) that due to the lingering effects of Hurricane Helene on North Carolina, the IRS would further postpone, until September 25, 2025, certain tax filing and payment deadlines for Affected Taxpayers.

This notice announces that the Department will remove Late Action Penalties assessed against Affected Taxpayers for licenses, returns, or payments due on September 25, 2024, through September 25, 2025, if the license is obtained, the return is filed, or the tax is paid by September 25, 2025 (“State Penalty Relief”).

### **Who Qualifies for State Penalty Relief**

State Penalty Relief applies to all Affected Taxpayers. For purposes of this notice, Affected Taxpayers include:

- Individuals who live in North Carolina.
- Businesses (including tax-exempt organizations) whose principal place of business is in North Carolina.
- Other individuals and businesses whose records necessary to meet a State tax deadline are located in North Carolina.

---

## North Carolina Department of Revenue

---

- Relief workers who are assisting in North Carolina and are affiliated with a recognized government or philanthropic organization.
- Any individual visiting North Carolina who was killed or injured as a result of Hurricane Helene.

### **State Penalty Relief**

Except as noted below, the Department will remove certain penalties assessed against Affected Taxpayers for licenses, returns, or payments due on September 25, 2024, through September 25, 2025, if the license is obtained, the return is filed, or the tax is paid by September 25, 2025.

The penalties that qualify for relief (collectively, “Late Action Penalties”) are as follows:

- Failure to Obtain a License ([G.S. 105-236\(a\)\(2\)](#))
- Failure to File a Return ([G.S. 105-236\(a\)\(3\)](#))
- Failure to Pay Tax When Due ([G.S. 105-236\(a\)\(4\)](#))
- Failure to File an Informational Return ([G.S. 105-236\(a\)\(10\)](#))

In addition, except as noted below, Affected Taxpayers that previously received State Penalty Relief through February 3, 2025, due to Tropical Storm Debby qualify for State Penalty Relief through September 25, 2025.

### **Exception to State Penalty Relief**

- Affected Taxpayers that have been notified by the Department that they are required to pay State withholding tax by the date set by the IRS for depositing federal employment taxes on those same wages (i.e., a semiweekly taxpayer) will only receive State Penalty Relief on tax payments due on or after September 25, 2024, and before October 10, 2024, if the payments were made by October 10, 2024.<sup>1</sup>
- State Penalty Relief does not apply to tax payments that were due to be paid prior to September 25, 2024. For instance, an Affected Taxpayer who under the disaster declaration has until September 25, 2025, to file a calendar year 2023 individual income tax return (“2023 Tax Return”) will not receive a waiver of the failure to pay tax when due penalty because the tax payment related to the 2023 Tax Return was due on April 15, 2024.

### **State Interest Relief**

The Department cannot waive interest except when authorized by the North Carolina General Assembly. As a result, this notice does not modify the Secretary’s authority to waive interest that accrues on an underpayment of tax imposed on a franchise, corporate income, or individual income tax return from September 25, 2024, through May 1, 2025, for taxpayers who reside in or (are located in) one of the 39 counties declared a major disaster by the

---

<sup>1</sup> An Affected Taxpayer that is a semi-weekly taxpayer may request penalty waiver if it cannot meet its payment obligations because of Hurricane Helene. The taxpayer should follow the instructions for a taxpayer that is not an Affected Taxpayer in the section “[How to Receive State Penalty Relief](#).”

---

## North Carolina Department of Revenue

---

President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene.<sup>2</sup>

For additional details about State interest relief, review the Department's notices issued on [October 11, 2024](#), [October 18, 2024](#), and [October 30, 2024](#).

### **How to Receive State Penalty Relief**

Affected Taxpayers that are assessed a Late Action Penalty in error should notify the Department of the error by taking one of the following actions:

- Submit [Form NC-5500](#), Request to Waive Penalties, or [Form NC-5501](#), Request for Waiver of an Informational Return Penalty and write "Hurricane Helene" at the top of the form.
- Call the Department at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday)

In addition, in accordance with the [Department's Penalty Waiver Policy](#), a taxpayer that is not an Affected Taxpayer may request a penalty waiver if Hurricane Helene caused the taxpayer to not meet their State filing or payment requirement. These taxpayers can request a penalty waiver by submitting either [Form NC-5500](#), or [Form NC-5501](#), whichever is applicable. On Part 2, Taxpayers must select "Natural Disaster" as the reason for the request and on Part 3, complete the "Natural Disaster" section of the form.

**Note.** Form NC-5500 and Form NC-5501 are available on the Department's website, [ncdor.gov](#). However, any taxpayer affected by Hurricane Helene that does not have electronic access to Form NC-5500 or Form NC-5501 can call the Department at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday), to request assistance.

### **Legal Authority**

[G.S. 105-249.2\(b\)](#) provides that the penalties for failure to obtain a license (G.S. 105-236(a)(2)), failure to file a return (G.S. 105-236(a)(3)), failure to pay tax when due (G.S. 105-236(a)(4)), and failure to file an informational return (G.S. 105-236(a)(10)) may not be assessed for any period in which the time for filing a federal return or report or for payment of a federal tax is extended under section 7508A of the Internal Revenue Code because of a presidentially declared disaster.

[G.S. 105-237\(a\)](#) authorizes the Secretary of Revenue to waive or reduce any penalties provided for in Subchapter 1 of Chapter 105. The Department's [Penalty Waiver Policy](#) authorizes the waiver of penalties for automatic reasons for a taxpayer that is unable to comply with the law's requirements to timely file a tax return or timely pay tax due because of a natural disaster, such as a tornado or hurricane.

[G.S. 105-263\(c\)](#) provides that a person who is granted an automatic extension to file a federal income tax return, including a return of partnership income, is granted an automatic extension to file the corresponding State income tax return and franchise tax return. Importantly, this

---

<sup>2</sup> See [Session Law 2024-51](#).

---

## North Carolina Department of Revenue

---

provision does not apply when a taxpayer's federal income tax return is automatically extended because of a presidentially declared disaster.

### **Assistance**

If you have any questions about this notice, or if you would like to request Form NC-5500 or Form NC-5501, you may call the North Carolina Department of Revenue Customer Service line at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday), or write to Customer Service, PO Box 1168, Raleigh, NC 27602-1168.

*To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this important notice, the provisions contained in this important notice supersede the previous guidance.*