



March 24, 2020
Updated June 17, 2020

Frequently Asked Questions for Relief Offered in Response to COVID-19 Outbreak

1. Am I required to file my income tax return by April 15, 2020?

No. The Secretary has automatically extended the time for filing income and franchise tax returns due on April 15, 2020, to July 15, 2020, for individuals, corporations, and estates and trusts to mirror the announced deadline change from the Internal Revenue Service. The automatic extension also applies to partnerships.

2. What tax schedules qualify for the extension of time to file?

The extension of time to file through July 15, 2020, applies to individual income tax returns, corporate income and franchise tax returns, partnership tax returns, and estate and trust tax returns due April 15, 2020. It does not apply to trust taxes such as sales and use taxes or withholding taxes.

3. What do I need to do to request the extension of time to file my income tax return?

Nothing. The extension of time to file your income tax return will be granted automatically. No action is required in order to receive an extension through July 15, 2020.

4. Can I receive an additional extension of time to file an income tax return if I cannot file by July 15, 2020?

Yes. Taxpayers that need additional time to file beyond the July 15th deadline can submit a request for an additional extension with the IRS or with the Department on

or before July 15, 2020.

5. Will I receive a failure to pay penalty if I pay my income tax liability after April 15, 2020?

No. The [Department's Important Notice issued March 19, 2020](#), provided that the Secretary will not assess the failure to pay penalty as long as the amount of income tax due is paid on or before July 15, 2020.

Update June 17, 2020. If you pay your income tax liability on or before July 15, 2020, and you receive an assessment for the failure to pay penalty in error, submit [Form NC-5502, Special Penalty and Interest Waiver - COVID 19](#), to request a waiver of the penalty.

6. Will I receive a failure to file penalty if I file my income tax return after April 15, 2020?

No. The [Department's Important Notice issued March 23, 2020](#), provided that the Secretary will not assess the failure to file penalty as long as the income tax return is filed, or an extension is granted, on or before July 15, 2020.

Update June 17, 2020. If you file your income tax return on or before July 15, 2020, and you receive an assessment for the failure to file penalty in error, submit [Form NC-5502, Special Penalty and Interest Waiver - COVID 19](#), to request a waiver of the penalty.

7. Will I be responsible for paying interest if I pay my income tax liability after April 15, 2020?

Yes. You will be responsible for paying interest at the statutory rate from April 15, 2020, until you pay your income tax liability. The rate of interest is currently 5% per year, the minimum rate allowed by statute. Currently, State law prevents the Department from waiving accrued interest, including interest assessed for the underpayment of estimated tax, except in limited cases.

Update June 17, 2020. Under [Session Law 2020-3](#), the Department will not charge interest for the period April 15, 2020, through July 15, 2020, on an underpayment of franchise, corporate income, or individual income tax, including a partnership and estate and trust tax, on a tax return due to be filed on April 15, 2020, through July 15, 2020. For additional information, see the Department's [Important Notice: Waiver of Interest and Other Economic Support to North Carolina Taxpayers in Response to the](#)

[Coronavirus Disease 2019 \(COVID-19\)](#). If you receive an assessment that includes interest for the period April 15, 2020, through July 15, 2020, in error, submit [Form NC-5502, Special Penalty and Interest Waiver - COVID 19](#), to request a waiver of the interest. Do not use the form to request waiver of any other interest.

8. Will I be required to pay all tax and interest due by April 15, 2020, to receive an extension to file through July 15, 2020?

No. The extension to file an income tax return through July 15, 2020, will be granted even if additional tax and interest are due on April 15, 2020.

9. What can I do if I cannot pay my income tax liability by July 15, 2020?

If you have filed your tax return and cannot pay the tax due in full, you can [use our website](#) to make payments until you receive a Notice of Collection from the Department. Upon receipt of a Notice of Collection, you may [request an Installment Payment Agreement](#).

10. How do I request a penalty waiver for penalties not covered in this notice?

You should complete [Form NC-5500, Request to Waive Penalties](#), and mail the form to the N.C. Department of Revenue, Customer Service, P.O. Box 1168, Raleigh, NC 27602-1168.

Update June 17, 2020. Use [Form NC-5502, Special Penalty and Interest Waiver - COVID 19](#), to request a waiver of penalty for a tax period in which you were affected by the Coronavirus Disease 2019 (COVID-19). You may qualify for a penalty waiver if you received a notice of tax assessment that includes penalties not included in the automatic penalty waiver discussed in FAQs 5 and 6. Use the designated space on [Form NC-5502](#) to explain in detail why you believe the Department should waive the penalty.

Note: The Department can only waive interest related to COVID-19 that qualifies for the automatic interest waiver. If you owe additional tax outside the periods identified above in FAQ 7, or for a different tax type, the Department is required to charge interest on any unpaid tax from the original due date until the tax is paid.