



State Responses to Requests for 30-Day Penalty Relief

(Last Updated October 19, 2018)

State	Response Received?	Full Response
Alabama	Yes	<p>The Alabama Department of Revenue is providing relief from late-filing penalties for certain corporate taxpayers who are encountering difficulties meeting October state filing deadlines while trying to also file their federal returns by the new October federal deadline. Adding to this challenge is the complexity surrounding federal tax reform and the state’s implementation thereof.</p> <p>Some corporate taxpayers may not be able to meet the state’s Oct. 15 filing deadline for these reasons, and ADOR will consider such circumstances as requested by taxpayers to determine whether they sufficiently establish reasonable cause to grant penalty relief for late filing. Affected returns must be filed by Nov. 15, and requests for relief must be in writing. Requests for relief will be considered on a case-by-case basis.</p> <p>For more information, contact ADOR at 334-242-1200.</p> <p>https://revenue.alabama.gov/2018/10/11/ador-offering-relief-to-corporate-taxpayers-affected-by-federal-tax-reform/</p>
Alaska	Yes	<p>Alaska automatically grants an additional 30 days beyond the federal due date (including extensions) to file the state corporate income tax return. See AS 43.20.030(a). With the extended federal due date of 10/15, the state return will be due 11/15.</p>
Arizona	No	
Arkansas	Yes	<p>The State of Arkansas allows a taxpayer to request an additional 60 day state extension to file that stays the failure to pay penalty and the only requirement for that extension is that it be filed on or before October 15. Since the Arkansas Legislature has provided for this additional 60 days, DFA is unable to automatically extend the due date for Arkansas returns 30 days after the federal return due date. Additionally the additional programming changes to our tax system are unable to be made to accommodate COST’s request within the proposed time frame. While DFA is unable to provide the</p>

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		requested automatic penalty abatement relief, DFA will consider any requests for abatement of any penalties on a case-by-case basis.
California	Yes	<p>Because FTB received several inquiries on the topic you raise below, we issued a Tax News article the beginning of October to address extended due dates for corporate taxpayers. In this article we explained we cannot extend the due date beyond the October 15 extended due date for filing a C corporation return because of year end processing limitations. We also explained if a taxpayer files a return beyond the October 15 due date and receives a penalty, under California law the taxpayer may request abatement of the penalty upon a showing of reasonable cause. Since a showing of reasonable cause is determined on a case by case basis, FTB should not determine a taxpayer that files within 30 days after the extended due date is automatically entitled to reasonable cause penalty relief. Instead, FTB will consider the facts and circumstances of each taxpayer that requests relief of a late filing penalty to determine if the taxpayer has established reasonable cause.</p> <p>Below is a link to the October Tax News. Please let me know if you have any additional questions.</p> <p>https://www.ftb.ca.gov/professionals/taxnews/Editions/2018/October.shtml</p>
Colorado	Yes	<p>Thank you for sending this to us. Colorado's income tax structure is coupled to federal tax code, and it is considered a rolling conformity state. This means that we do not need to offer specific state-level guidance due to the changes associated with the Tax Cuts and Job Act. We did offer supplemental instruction on how to recognize foreign earnings subject to the federal transition tax under IRC 965. That guidance was published on our website in June. We recognize that CPAs may desire further guidance from the federal government, but we are unaware of any indication if such guidance will be issued.</p> <p>We may consider penalty relief on a case by case basis for cause; however, we have no plans to grant systemic penalty relief as requested by the AICPA. Additionally, we do not view difficulty in complying with federal tax law as a reason to offer penalty waivers as suggested.</p>

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Delaware	Yes	<p>The Division recognizes that some taxpayers may have trouble meeting Delaware’s filing deadline because the extended due date of Delaware income tax returns coincides with the extended due date for federal returns.</p> <p>As a result, the Division will consider requests for abatement of penalties for late filing, with reasonable cause, of any Forms 1100, 1100-S, 300, and 400 on a case-by-case basis – provided those returns are filed on or before November 15, 2018. Please note: you should not submit a request for abatement until after you have received a notice proposing the assessment of penalties.</p> <p>The taxpayer’s request for abatement of late filing penalties due to reasonable cause should be submitted by email to: taxconferee@state.de.us, or in writing to:</p> <p>Campbell Hay, Esquire Tax Conferee Delaware Division of Revenue P. O. Box 8714</p> <p>See https://news.delaware.gov/2018/10/15/revenue-offers-assistance-income-tax-filers/</p>
Florida	Yes	<p>Thank you for your email dated October 4, 2018, sent on behalf of the Council On State Taxation (COST) requesting “State and Local Corporate Income Tax Return Filing Penalty Relief.” Since your email necessarily implicates the application of Florida law to multiple issues, it was forwarded to me for review and response.</p> <p>The Florida Department of Revenue (Department) is very mindful of the complexity of changes in federal tax reform and issues associated with state implementation. As you may be aware, Chapter 2018-119, Law of Florida, requires the Florida Department of Revenue (Department) to conduct a review of how the federal Tax Cuts and Jobs Act of 2017 will affect Florida corporate income tax. In furtherance of its administrative duties enacted by the legislature, the Department issued requests for public input regarding the Act and its potential effects on Florida corporate income tax filers, issued its first status report on August 3, 2018 (Status Report #1 - August 3, 2018) and held a public meeting on August 22, 2018. The Department received and reviewed comments from many</p>

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		<p>interested parties. We also acknowledge and extend our appreciation for the comments submitted at the public meeting by Mr. Carl Freedman on behalf of COST.</p> <p>Your specific inquiry requests the Department to “provide an automatic 30-day penalty waiver for filing extended corporate tax returns that are due on October 15, 2018.” As a reminder, the Florida corporate income tax filing due date is 15 days after the federal due date. The Department has historically made every attempt allowed by law to work with affected businesses impacted during declared emergency situations resulting in difficult times. As authorized by law, the Department has also followed the tax relief granted by the Internal Revenue Service regarding postponement of return due dates applicable to Florida corporate income tax filers in those types of situations.</p> <p>While mindful of the complexities noted by your inquiry, the Department is bound by its statutory obligations set forth under Chapter 220, Florida Statutes. Section 220.22 (Returns; time and place for filing), Florida Statutes, establishes the statutory timing framework pertaining to Florida corporate income tax filers administered by the Department. Section 220.801 (Penalties; failure to timely file returns), Florida Statutes, establishes penalties related to a failure to timely file returns.</p> <p>Based on statutory limitations, the Department is unable to provide the broad automatic 30-day penalty waiver sought by your inquiry. Consistent with applicable law, please rest assured the Department will continue to work with tax filers on a case-by-case basis as it has historically done based on a specific set of circumstances.</p> <p>Thank you for your inquiry.</p>
Georgia	Yes	Thank you for your correspondence requesting consideration of penalty relief for corporate tax return filings in 2018. The Georgia Department of Revenue has no plans to revise existing filing requirements at this time.
Hawaii	No	
Idaho	Yes	The Idaho State Tax Commission understands the extra work required within a tight timeline as a result of the federal tax overhaul. We will consider your situation and the possibility of waiving any

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		<p>filing penalties on a case-by-case basis. However, please remember that a filing extension is not an extension of the deadline for payment of taxes due.</p>
Illinois	Yes	<p>The Department of Revenue is aware that taxpayers may be struggling with the complexity of changes resulting from recent federal tax reform and the availability of guidance at the federal level. With the extended due date of the Illinois income tax return coinciding with the extended due date for the federal return, we recognize that taxpayers may have trouble meeting this deadline. As a result, the Department will approve requests for abatement of penalties for late filing of any Forms IL-1120, IL-1120-ST, IL-1065 and IL-1041 due to reasonable cause on a case-by-case basis provided those returns are filed on or before November 15, 2018. Please note: Requests for abatement should be made after a notice has been sent and received by the taxpayer. Taxpayer requests for abatement of late filing penalties due to reasonable cause shall be submitted by email to: REV.PRD@Illinois.gov or in writing to: ILLINOIS DEPARTMENT OF REVENUE, PROBLEMS RESOLUTION DIVISION, PO BOX 19014, SPRINGFIELD IL 62794-9014. See https://www2.illinois.gov/rev/research/news/Pages/Illinois-Business-Income-Tax-Deadlines-Extended.aspx.</p>
Iowa	Yes	<p>The Iowa Department of Revenue will not create a separate program to automatically waive penalty as proposed by COST.</p> <p>There is already an established process for taxpayers to request penalty waivers if certain requirements are satisfied. The grounds for waiving penalty are fixed by Iowa Code sections 421.27. See also https://tax.iowa.gov/penalty-exception-provisions</p> <p>Here is a link to the penalty waiver request: https://tax.iowa.gov/sites/files/idr/forms1/Penalty%20Waiver%20Request%20%2878-629%29.pdf</p> <p>The Department will not grant advanced confirmations or denials.</p>

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		<p>Iowa has a 10/31 deadline. After that deadline, a penalty is automatically incurred. Corporations may request a penalty waiver once a penalty has been assessed if they meet one of the grounds in the statute.</p>
Kansas	Yes	<p>The extended filing date of October 15, 2018 for the Kansas corporate income tax return is the same due date as the federal return. To allow a taxpayer more time to accurately file its Kansas corporate income tax return, and as long as a corporate income taxpayer has a properly extended federal return due date to October 15, 2018, the Kansas Department of Revenue will waive the imposition of the late filing penalty. For any fiscal filer with a tax year beginning in 2017 and a properly extended federal return due date, the Kansas Department of Revenue will waive the imposition of the late filing penalty as long as the Kansas income return is filed within an additional month of the federal extended due date.</p> <p>The Kansas Department of Revenue will consider elections as made on a timely filed income tax return if the elections are made on a 2017 corporate income tax return filed by November 15 (or within an additional month for an extended 2017 corporate income tax return for a fiscal year corporation) under this penalty relief.</p> <p>Note, this penalty relief only applies to the filing of the 2017 original Kansas corporate income tax return. As applicable, interest and penalties for late payment of the tax may still apply. To utilize this extension, a taxpayer should mark on its return that it is seeking an “October 15 to November 15 Penalty Relief Extension.” Failure to file by the November 15, 2018 date, unless abated by the Kansas Department of Revenue will result in the imposition of a late filing penalty based on the October 15, 2018 due date. See https://ksrevenue.org/taxnotices/notice18-05.pdf.</p>
Kentucky	Yes	<p>Following is the Kentucky Department of Revenue’s guidance and response to a request by the Council on State Taxation (COST) for penalty relief for late-filed extended state income tax returns. Please let me know if you have any questions.</p> <p>Late Filing Penalty Waiver Requests</p>

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		<p>Due to the many recent tax law changes in addition to the federal extended due date change, the Kentucky Department of Revenue will review on a case-by-case basis requests for waiver of late filing penalties. Kentucky income tax returns are due the 15th day of the fourth month following the close of the tax year (April 15th for a calendar year filer). A six-month extension of time to file a Kentucky corporation income tax and LLET return or limited liability pass-through entity and LLET return may be obtained by either:</p> <ol style="list-style-type: none"> 1. Requesting an extension for filing the return on a Kentucky extension form ; or 2. Submitting with the tax return a copy of federal extension, Form 7004. <p>A taxpayer with a valid federal extension attached to their Kentucky corporation income tax or LLET return will be granted the same extension of time for filing. A copy of the federal Form 7004 should not be mailed to the Department of Revenue before filing the return.</p> <p>Kentucky law imposes a 2% penalty for every 30 day period a return is late, which is based on the total tax due. This penalty applies to any taxpayer who files a return after the due date or extended due date. The law allows the department to waive the penalty if the taxpayer shows that the failure to timely file is due to reasonable cause. The minimum penalty is \$10 and the max penalty is 20% of the total tax due.</p> <p>Reminder: An extension of time to file does not extend the time to pay.</p> <p>There is no automatic penalty relief. However, the effects of the legislative changes will be taken into consideration when granting penalty waivers. That language is not specifically listed in 103 KAR 1:040. We are relying on the discretion granted in 103 KAR 1:040, Section 1(14) to issue the following guidance.</p>
Maine	Yes	<p>Generally, Maine tax law (36 M.R.S. § 5227-A) requires an amended return be filed whenever there is a change or correction affecting the taxpayer’s Maine income tax liability within 180 days from the date of the change or correction to avoid the assessment of penalties. However, Maine Revenue Services will abate interest and penalties that would otherwise apply to 2017 <i>amended</i> Maine income tax returns to the extent that the interest and penalties are associated with the federal tax law changes addressed by the recently enacted Maine tax conformity bill (PL 2017, c. 474) and if the</p>

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		<p>amended return is filed no later than March 11, 2019. To qualify for abatement, affected taxpayers should write “TAX CONFORMITY” across the top of their return.</p> <p>Maine Revenue Services will also abate interest and penalties that would otherwise apply to 2017 <i>original</i> Maine income tax returns to the extent that the interest and penalties are associated with the federal tax law changes addressed by the recently enacted Maine tax conformity bill (PL 2017, c. 474) and if the return is filed no later than October 15, 2018. To qualify for abatement, affected taxpayers should write “TAX CONFORMITY” across the top of their return.</p> <p>Qualifying taxpayers who may be assessed interest and penalties should contact Maine Revenue Services at 207-626-8475 to request an abatement. See http://www.maine.gov/revenue/publications/alerts/2018/ta_oct2018_vol28_iss11_deferred_foreign_income.html.</p>
Mississippi	No	
Missouri	Yes	<p>The Missouri Department of Revenue is reminding taxpayers that October 15 is the extended deadline for calendar year 2017 tax filings. In some cases, recent changes to the federal tax code may be making filing taxes more complex and cumbersome. While the Department will not be issuing a further extension, we will be considering requests for abatement of any additions to tax for timely filing failure resulting from federal tax changes. Each request will be reviewed on a case-by-case basis. See https://dor.mo.gov/personal/tax-extension-deadline-oct15.pdf.</p>
Nebraska	Yes	<p>Nebraska already gives corporate taxpayers the ability to receive a 7 month extension of time to file by timely submitting a Form 7004N. Filing a Form 7004N gives the taxpayer some additional benefits over just removing the penalty (e.g., The period for which payments may be refunded could be longer by filing 7004N). As a condition of granting a 7 month extension, the corporate taxpayer must have remitted enough money, prior to or with the Form 7004N, to cover its tentative tax liability (Neb. Rev. Stat. § 77-2770(2)).</p>

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New Jersey	Yes	<p>The extended filing date for the New Jersey Corporation Business Tax Return on October 15, 2018 is the same due date as the federal return. We will automatically waive the late filing penalty for a corporate taxpayer with a properly extended federal return due date of October 15, 2018, if the return is filed by November 15, 2018 for extended calendar year corporations (or filed within an additional month of the extended due date for 2017 returns for fiscal year corporations).</p> <p>We will consider elections made timely, if the elections are made on a 2017 New Jersey Corporation Business Tax Return filed by November 15 (or within an additional month for an extended 2017 return for a fiscal year corporation). Interest and penalties for late payment of the tax may still apply. Failure to file by the November 15, 2018 date, unless abated, will result in the imposition of a late filing penalty based on the October 15, 2018 due date. See https://www.state.nj.us/treasury/taxation/30-DayPenaltyRelief.shtml.</p>
New Mexico	No	
New York	Yes	<p>This is not an issue for New York. Our C corporations and insurance corporations are permitted to extend their NYS tax return filing dates for up to one year from their April 15 due date. We allow up two additional three-month extensions after the initial six-month extension.</p>
North Carolina	Yes	<p>Secretary Penny asked me to respond to your request regarding filing penalty relief for North Carolina corporate taxpayers. The Department recognizes that a limited number of taxpayers may not be able to file a timely North Carolina tax return as a result of the complexity of federal income tax changes and as a result the extended federal deadline which is now the same as the extended state deadline. The Department will consider these factors as special circumstances in granting a penalty waiver for failure to timely file a corporate income and franchise tax return assuming there are reasons provided by the taxpayer on Form NC-5500 (Request to Waive Penalties). We believe that the Department's current penalty policy is flexible enough to accommodate legitimate request and, accordingly, that no "Important Notice" deviating from our current policy is appropriate. Feel free to give me a call if you have questions or would like to discuss further.</p>

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Rhode Island	Yes	<p>The starting point for preparing the Rhode Island return on Form RI-1120C is federal taxable income – a convenience for taxpayers because it reduces the number of steps needed in calculating Rhode Island tax liability. Corporations and their tax professionals also should take note of the following regarding the October 15, 2018, deadline:</p> <p>If the entire balance due is paid on time, but the return is filed late, there will be no late-file penalty (because penalty is computed on any unpaid tax).</p> <p>If, at the time of filing the extended return, there is an additional tax due, late-payment penalty and late-filing penalty would apply on the unpaid tax. However, the Division of Taxation will consider requests to waive tax penalties to the extent those penalties are attributable to Section 965 income, as described in Division of Taxation Regulation 280-RICR-20-25-15, “Treatment of Repatriated Income 2017”: https://rules.sos.ri.gov/regulations/part/280-20-25-15.</p> <p>To request penalty relief as described above, taxpayers must submit a written penalty waiver request in the form of a letter to the Tax Administrator. Send the letter separately from the return (whether the return is filed electronically or on paper). Use the following address:</p> <p>Rhode Island Tax Administrator Rhode Island Division of Taxation “Section 965 Penalty Relief” One Capitol Hill Providence, R.I. 02908</p> <p>The extended due date for tax year 2017 returns for calendar-year C corporations (including those filing under combined reporting) is October 15, 2018.</p> <p>Rhode Island does not provide an automatic 30-day penalty waiver for filing extended corporate tax returns that are due on October 15, 2018.</p>
South Carolina	No	

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Tennessee	Yes	Thank you for your email. After giving this a lot of thought, we believe a case-by-case consideration of penalty waiver requests is the most appropriate approach. A waiver request is easily made on-line by anyone who may need it and will be processed quickly.
Utah	Yes	<p>Here is an information release we made regarding reporting GILTI income and filing Form 965:</p> <p>The Commission has made no announcements about GILTI income (IRC Section 951(a)) filing requirements and are waiting for IRS guidance on how this income is going to be reported. This return will not due until next year. We are assuming that it will be part of federal Form 1120.</p> <p>Chairman Valentine announced on October 2, 2018 in a meeting of the Utah State Bar Tax Section, that the Commission would be "generous" in granting waiver requests for late filing penalties for Form TC 20R, "Tax on Deferred Foreign Income (IRC Section 965(a))."</p> <p>He stated the following conditions on that "generosity:"</p> <ol style="list-style-type: none"> 1. The Form TC 20R was being filled as part of an extension otherwise granted. 2. The Form TC 20R was filled within 30 days of October 15, 2018 or 30 days from the date that the return was otherwise due on extension. 3. This would not include late payment penalties, but only relates to the late filing penalty. 4. It only applies to tax year 2017, the year for which Form TC 20R is due. 5. The normal waiver request procedures for a late filing waivers would be followed. <p>The Chairman noted that the Commission has previously applied a similar position to other new tax law changes, citing the electronic filing requirement of W-2s/Reconciliation statements in 2015 and the mandatory withholding for pass-through entities in 2008.</p>
West Virginia	Yes	The West Virginia State Tax Department has, to date, not received a request from any corporation for an extension of time to file past the federal extended due date. Therefore, we will not participate in this program.

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		<p>If returns are late filed, we can waive additions to tax imposed for late filing when taxpayer provides adequate information explaining the circumstances demonstrating that the failure to file by the extended due date was due to reasonable cause and not due to willful neglect.</p>