

## SALT SHOTS

Jurisdiction: Multistate  
Tax Type: Sales And Use Tax  
Issue: COVID-19 State Tax Update  
Date: April 3, 2020

### SYNOPSIS:

With the coronavirus (COVID-19) pandemic continuing to affect businesses all over the United States, states and localities are providing taxpayers with some tax relief. This SimekScott COVID-19 **SALT SHOTS** update provides states that have enacted COVID-19 sales tax relief. **Contact SimekScott to discuss the nuances of each states COVID-19 tax relief.**

**Alabama.** Effective immediately, Alabama Department of Revenue is extending relief to small retail businesses that are unable to timely pay their February, March, and April sales tax liabilities. Specifically, 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.

**California.** Effective immediately, California is providing relief from penalties and interest by: (1) suspending the requirement to file a statement under penalty of perjury setting forth the facts for a claim for relief for a period of 60 days after the date of the order for any individuals or businesses who are unable to file a timely return or make a timely payment as a result of complying with state or local public health officials imposition or recommendation of social distancing measures related to COVID-19; and (2) the Franchise Tax Board (FTB), the State Board of Equalization (SBE), the CDTFA, and the Office of Tax Appeals (OTA) shall use their administrative powers where appropriate to provide those individuals and businesses with the extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest.

**Connecticut.** Effective March 30, 2020, the Connecticut Department of Revenue Services (DRS) has revised its COVID-19 guidance to allow sales and use tax return filing and payment extensions for small business taxpayers only - monthly sales tax filers, returns and payments due March 31, 2020, and April 30, 2020, are extended until May 31, 2020 and quarterly filers, returns and payments due April 30, 2020, are extended to May, 31, 2020.

**District of Columbia.** Effective March 17, 2020, and expiring 06/15/2020, under the DC COVID-19 Response Emergency Amendment Act of 2020" DC provides for penalties to be waived and interest abated for failure to timely pay sales and use tax for periods ending on February 29, 2020 or March 31, 2020, provided that all taxes for such periods are paid in full on or before July 20, 2020.

**Florida.** Florida DOR has issued Order of Emergency Waiver/Deviation #20-52-DOR-002 to extend certain filing deadlines for the following taxes: sales and use tax and discretionary sales surtax. For taxpayers who collected tax during the February reporting period, and were unable to meet the March 20, 2020 due date, the Department will waive the imposition of penalty and accrual of interest, if the taxes are reported and remitted by March 31, 2020.

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For taxes collected in March and due on or before April 20, 2020, Florida defines “Adversely affected taxpayer” as: (1) the business closed in compliance with a state or local government order and had no taxable sales transactions as a result; (2) the business experienced sales tax collections in March 2020 that are less than 75% of March 2019 sales tax collections; (3) the business was established after March 2019; or (4) the business is registered with the Department to file quarterly.

**Louisiana.** The Louisiana Department of Revenue is providing filing and payment extension relief for certain taxes due March 20, 2020. The Department will waive delinquency penalties and compromise interest associated with delinquent sales and excise tax remittances provided the return and payment are received by the extended due date of May 20, 2020. The following are extended from March 20, 2020 to May 20, 2020: (1) Sales - Direct Marketer (Feb. 2020), R-1031E: Direct Marketer Sales Tax Return; (2) Sales - General (Feb. 2020), R-1029: Louisiana Department of Revenue Sales Tax Return.

**Maryland.** The comptroller has extended to June 1, 2020, the filing and/or payment of returns for collections in or gross receipts from February, March, and April 2020 for sales and use taxes.

**Massachusetts.** The Massachusetts Department of Revenue adopted an emergency regulation amendment to 830 CMR 62C.16.2: (Sales and Use Tax Returns and Payments), that adds a new section (7) which suspends return filing and payment remittance obligations for certain vendors during the COVID-19 State of Emergency declared by the Governor. With certain requirements, small businesses with tax liabilities in the 12-month period ending February 29, 2020 that are less than \$150,000, returns and payments due during the period beginning March 20, 2020 and ending May 31, 2020, will be suspended. All such returns and payments will be due on June 20, 2020.

**Michigan.** Due to the disruptions to the normal business operations of many sales, use, and withholding taxpayers required to file returns and remit tax by the 20th day of each month due to the COVID-19 outbreak, the Department is waiving penalty and interest for the late payment of tax or the late filing of the return due on March 20, 2020. The waiver will be effective for a period of 30 days; therefore, any return or payment currently due on March 20, 2020 may be submitted to the Department without penalty or interest through April 20, 2020. The waiver is limited to sales, use, and withholding payments and returns due March 20, 2020. Any payment or return otherwise due after that date will not be eligible for the current waiver.

**Minnesota.** Minnesota is granting a 30-day sales and use tax grace period for businesses identified in Minnesota Governor Executive Order 20-04. During this time the Department will not assess penalties or interest. Identified businesses with monthly sales and use tax payment due March 20, 2020, will have until April 20 to make that payment. But taxpayers should still file their return by March 20.

**Mississippi.** Mississippi is agreeing to delay the imposition of interest and penalties on any unpaid tax balance for the period covered by the presidentially-declared national emergency effective March 15, 2020 until the end of the national emergency.

**New York.** New York Department of Tax and Finance is permitted to waive penalty and interest on late sales tax return filings and payments due to COVID-19. COVID-19 affected filers must file and pay the tax due with 60 days of

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the due date to obtain the relief. The Department notes, however, that 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.

**North Carolina.** The North Carolina Department of Revenue has issued an important notice announcing the expansion of its COVID-19 tax penalty relief 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.

**Pennsylvania.** The Pennsylvania Department of Revenue is waiving penalties for businesses that are required to make Accelerated Sales Tax (AST) prepayments by the deadline of Friday, March 20 to assist businesses as Pennsylvania responds to the COVID-19 outbreak. The Department is also waiving the AST prepayment requirement for April sales tax payments and asking businesses to simply remit the sales tax that they have collected in March.

**South Carolina.** South Carolina Department of Revenue (DOR) announced that due to COVID-19, sales and use taxes due between April 1, 2020 and June 1, 2020, are now due on June 1, 2020, without taxpayers incurring penalties or interest. This includes state and local sales and use taxes.

**Texas.** The comptroller is offering assistance in the form of short-term payment agreements and, in most instances, waivers of penalties and interest for businesses struggling to pay the full amount of sales taxes they collected in February 2020 and also temporarily suspending the 60-day deadline for businesses to contest audit results.

**Vermont.** The Vermont Department of Taxes (DOT) announced that until further notice, it will not assess penalties or interest for those businesses that have been affected by the COVID-19 pandemic and cannot meet the March 25, 2020, or April 25, 2020, sales and use tax deadlines.

**Virginia.** The Virginia Department of Taxation issued a bulletin with important information for those affected by the COVID-19 crisis. The Department will consider requests from sales tax dealers for an extension on filing and paying the February 2020 sales tax return, which is 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.

**Wisconsin.** The Wisconsin Department of Revenue has issued a release announcing that small businesses can immediately request an extension until April 30, 2020 to file sales and use tax returns due March 31, 2020 and until June 1, 2020 for sales and use tax returns due April 30, 2020, in response to the COVID-19 pandemic. In addition, the Department will not assess late filing fees or penalties if sales and use tax returns are filed by April 30 or June 1.

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