

TAX WATCH

Virginia Offers Penalty & Interest Relief on Tax Payments Due June 1

As you may know, any income tax payments due during the time period of April 1, 2020, to June 1, 2020, will now be due on June 1, 2020. This includes individual and corporate income taxes paid to Virginia Tax. The extension applies to taxable year (TY) 2019 final payments and extension payments, and the first estimated payment for TY 2020.



Late payment penalties will not be charged if payments are made by June 1, 2020.

In addition, Governor Northam submitted a budget amendment to House Bill 29 and House Bill 30 to **waive interest on income tax payments originally due during the period from April 1, 2020 to June 1, 2020 if payment is made by June 1, 2020**. Approved by the General Assembly at their April 22 reconvened session, this waiver of interest applies to TY 2019 final payments and extension payments. Any addition to tax otherwise applicable to estimated payments for the first quarter of TY 2020 would also be waived, provided the payment is made by June 1, 2020.

All income tax filing deadlines remain the same, including the May 1, 2020 individual income tax filing due date. However, Virginia does already have an automatic, 6-month extension to file (7 months for certain corporations). If you file during the extension period, make sure you still pay any taxes owed by June 1, 2020 to avoid penalties and interest.

If you pay at least 90% of your tax liability by June 1, 2020, no penalties are imposed as long as you file your return and pay the remaining amount of your tax liability by November 1, 2020.

Contact a Brown Edwards tax professional for assistance or more information.