



Virginia Announces Payment Extension and Penalty Waiver for Corporate and Individual Income Taxpayers in Response to the COVID-19 Crisis

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In response to disruptions to Virginia taxpayers caused by the COVID-19 crisis, the Virginia Department of Taxation (the "Department") has extended the deadline for Virginia taxpayers to pay their income taxes. This relief does not include an extension for taxpayers to file their Virginia state income tax returns.

In Virginia Tax Bulletin 20-4, the Department makes these important announcements:

- Income tax payments due during the period from April 1, 2020, to June 1, 2020, can now be submitted at any time on or before June 1, 2020, without penalty.
- The Department will automatically waive any late payment penalties that would otherwise apply if full payment is made by June 1, 2020.
- If full payment of the amount owed during the period is not made by June 1, 2020, this penalty waiver will not apply, and late payment penalties will accrue from the original date that the payment was due.
- Taxes eligible for this payment extension and penalty waiver include individual, corporate, and fiduciary income taxes, as well as any estimated income tax payments that are required to be paid to Virginia Tax during this period.

Any extension to file your federal income tax returns with, or to pay your federal income tax to, the IRS does not change your Virginia tax obligations. Virginia requires taxpayers to file their 2019 corporate tax

returns by April 15, 2020, and individual income tax returns are due by May 1, 2020. If you are unable to file by such due dates, Virginia offers automatic filing extensions to all taxpayers for up to 6 months (or 7 months in the case of certain corporations). No application is required to file an extension.

Williams Mullen will continue to monitor developments from the Department related to the **COVID-19 crisis** and to post any updates.

Please note: This alert contains general, condensed summaries of actual legal matters, statutes and opinions for information purposes. It is not meant to be and should not be construed as legal advice. Readers with particular needs on specific issues should retain the services of competent counsel.

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