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# COVID-19: State Tax

## Insight — 05/11/2020

The State response to the Covid-19 continues to evolve. The States are looking at a number of factors as they form their responses including:

- The State's "Rainy Day Fund"
- Availability of Federal monies
- Impact on State Budget
- Potential legislative responses (which could require the extension of current sessions or the calling of a special session) including: Extended deadlines for filing and payment, waiver of penalties and interest, tax holidays or abatements, tax credits, deductions or exemptions, decoupling from the Federal tax changes in the CARES act, etc.

### State Income Tax Filing & Payment Deadlines

Many states that have an income tax are conforming with the federal extended filing deadline and payment deadline (July 15) for both individual and corporate state income tax filings, including estimated payments. Which means that payments made by July 15, 2020 will not be subject to interest or penalties. In the states where Holland & Hart is located, Alaska, Nevada, and Wyoming do not have a state income tax. The following states have made the modifications to certain income tax filing and payment dates:

- DC has extended its income tax filing and payments (but not for estimated payments) to July 15, 2020. In addition, DC has announced that it will not claim nexus for franchise tax purposes based solely on the temporarily relocation of employees in DC during the declared public emergency period (currently in effect through May 15, 2020).
- The Colorado extension to July 15 covers income tax return payments due on or after April 15, 2020 but before July 15, 2020. Estimated tax payments otherwise due on or after April 15, 2020 but before June 16, 2020 are likewise extended to July 15. An automatic 6-month filing extension to October 15, 2020 applies to income tax returns that were due by April 15. An original income tax return due, as extended, on or after April 15, 2020 but before July 15, 2020 is due July 15, 2020. There are also similar extensions for certain income tax payments related to S corporations, trusts/estates, and partnerships (see Emergency Rule 39-22-609-1 for details, including income tax payments not covered by this extension).
- Idaho has extended its filing and payment deadline to June 15, 2020;

- Montana has extended its individual income tax filings and deadlines until July 15, 2020; and
- New Mexico has extended its income tax filings and deadlines until July 15, 2020. Penalties will be waived but interest will continue to accrue; and
- Utah has extended its filing and payment deadlines to July 15, 2020.

#### Other State and Local Taxes

Some state and local jurisdictions are moving the remittance and filing deadlines for sale/use taxes (for certain industries), property taxes, and payroll taxes. The following states in which Holland & Hart have an office have made modifications to the filing and payment deadlines for non-income taxes:

- Alaska has extended the filing and payment deadlines for several taxes and license fees to July 15, 2020;
- Colorado has extended to May 20, 2020 the filing and remittance dates for state and state-administered local sales taxes otherwise due on April 20, 2020 (generally at the cost of the vendor fee otherwise available). This extension does not cover: retailer's use tax; consumer use tax; certain other sales/use-related taxes; or sales tax filing and remittances for the self-collecting home rule cities. Colorado has also provided numerous extensions for property taxes, including extensions to June 15, 2020 of certain April 15, 2020 deadlines related to business personal property, natural resource property, and oil/gas property. There is also an extension to May 15, 2020 of certain April 15, 2020 of several severance tax filing and payment deadlines.
- DC has extended filing and remittance deadlines for sales and use taxes for periods ended February 29, 2020 and March 31, 2020; and
- New Mexico has extended the deadline for withholding returns until July 25, 2020.

As this is a constantly evolving area, please check back regularly.

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