

TaxNewsFlash

United States



No. 2021-376
September 13, 2021

IRS provides tax relief for taxpayers in North Carolina affected by Tropical Storm Fred

The IRS issued a release announcing that taxpayers in North Carolina that were affected by remnants of Tropical Storm Fred (beginning date August 16, 2021) now have until December 15, 2021, to file individual and business tax returns and to make certain tax payments.

As explained in the IRS release—[NC-2021-01](#) (September 10, 2021)—following the recent disaster declaration issued by the Federal Emergency Management Agency (FEMA), individuals and households affected by remnants of Tropical Storm Fred that reside or have a business in Avery, Buncombe, Haywood, Madison, Transylvania, Watauga, and Yancey counties may qualify for tax relief.

The tax relief postpones various tax filing and payment deadlines through December 15, 2021, that occur starting on August 16, 2021, and before December 15, 2021.

- Individuals who had a valid extension to file their 2020 return due to run out on October 15, 2021, will now have until December 15, 2021, to file. Because tax payments related to these 2020 returns were due on May 17, 2021, those payments are not eligible for this relief.
- Businesses with extensions also have the additional time including, among others, calendar-year partnerships and S corporations with 2020 extensions that run out on September 15, 2021, and calendar-year corporations with 2020 extensions that run out on October 15, 2021.
- The December 15, 2021 deadline also applies to quarterly estimated income tax payments due on September 15, 2021, and the quarterly payroll and excise tax returns normally due on December 15, 2021.
- The December 15, 2021 deadline also applies to tax-exempt organizations, reporting on a calendar-year basis, that had a valid extension due to run out on December 15, 2021.

- Penalties on payroll and excise tax deposits due on or after August 16, 2021, and before August 31, 2021, will be abated as long as the deposits were made by August 31, 2021.

The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. Therefore, taxpayers do not need to contact the agency to get this relief. However, if an affected taxpayer receives a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment or deposit due date falling within the postponement period, the taxpayer should call the number on the notice to have the penalty abated.

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