New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301

TECHNICAL INFORMATION RELEASE
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A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Taxpayer Services at (603) 230-5920.

COVID-19 Pandemic Relief for Business Tax and Interest & Dividends Tax

In response to conditions caused by the COVID-19 pandemic, the New Hampshire Department of Revenue Administration (DRA) will grant relief to all Business Tax (Business Profits Tax and Business Enterprise Tax) and Interest & Dividends Tax taxpayers concerning New Hampshire's automatic 7-month filing extension and the estimated tax payment safe harbor (Section A). The DRA will also offer additional return filing and payment due date relief for certain taxpayers that qualify (Section B).

SECTION A

Relief for All Business Tax and Interest & Dividends Tax Taxpayers Impacted by the COVID-19 Pandemic

The deadline to file or pay the Business Tax or Interest & Dividends Tax for tax year 2019 remains unchanged, except for certain qualifying taxpayers as provided in Section B. Tax year 2019 Business Tax and Interest & Dividends Tax returns and any payments due for calendar year taxpayers continue to be due on April 15, 2020. Additionally, first quarter estimate payments for tax year 2020 calendar year Business Tax and Interest & Dividends Tax taxpayers are also due on April 15, 2020.

Under current law, taxpayers who have paid their tax in full by the return due date are entitled to an automatic 7-month extension of the time to file the New Hampshire Business Tax or Interest & Dividends Tax return. The automatic 7-month extension allows the taxpayer to defer filing of their return for up to 7 months from the original return due date without incurring the failure to file penalty. However, if a taxpayer ultimately determines that they owe additional tax when they file their return under the extended due date, interest and penalties still apply.

In order to provide relief to taxpayers required to file returns on April 15, 2020 who are unable to accurately calculate their tax year 2019 liability for purposes of qualifying for the automatic 7-month extension due to the current COVID-19 pandemic, the DRA will not assess any applicable interest or penalties against taxpayers who file their returns and pay any remaining balance due within the automatic 7-month extension, if by April 15, 2020 they have paid an amount no less than their total tax year 2018 tax liability.

If your tax is paid in full as of the April 15, 2020 due date, you are not required to file an extension form with the DRA; the extension is granted automatically. If a taxpayer needs to make an additional payment to the DRA in order to qualify for the return filing extension, they may do so by making a payment electronically on the e-File section of the DRA website, or by

filing the one-page Form BT-EXT for Business Tax or Form DP-59-A for Interest & Dividends Tax, accompanied by the payment by April 15, 2020. As stated above, taxpayers will qualify for this extension of time to file returns due on April 15, 2020, if by April 15, 2020 they have paid an amount equal to at least either their tax year 2018 total tax liability or tax year 2019 total tax liability.

Additionally, Business Tax and Interest & Dividends Tax taxpayers whose yearly liability exceeds certain thresholds are required to make quarterly estimated tax payments for the current tax year beginning on April 15, 2020. For calendar year Business Tax taxpayers, tax year 2020 quarterly estimate payments are due on April 15, June 15, September 15, and December 15 of 2020, with at least 25% due in each quarter. For Interest & Dividends Tax taxpayers, tax year 2020 quarterly estimate payments are due on April 15, June 15, and September 15 of 2020, and January 15 of 2021, with at least 25% due in each quarter. The failure to make estimated tax payments in the appropriate amount would normally result in the application of underpayment penalties. A statutory safe harbor for penalty relief exists so long as the taxpayer pays 100% of their prior year liability via four quarterly estimated tax payments.

Calendar year taxpayers impacted by the COVID-19 pandemic who make their tax year 2020 estimated tax payments in at least the amount of their tax year 2018 total tax liability, or their tax year 2019 total tax liability, will not incur any underpayment of estimated tax penalties if their 2020 liability ultimately exceeds the estimated payments made. Taxpayers electing to utilize their tax year 2018 total tax liability for purposes of calculating their 2020 estimated tax liability must make a payment equal to at least 25% of the tax year 2018 total tax liability by each of the four quarterly estimate due dates in order to avoid the application of underpayment penalties.

SECTION B

Additional Relief for Certain Qualifying Business Tax and Interest & Dividends Tax Taxpayers

The DRA will offer additional relief from applicable interest and penalties for certain qualifying Business Tax and Interest & Dividends Tax taxpayers impacted by the COVID-19 pandemic who are unable to pay an amount due on April 15, 2020, provided that payment of any remaining unpaid balance is made by June 15, 2020. This relief is available for any Business Tax or Interest & Dividends Tax return or extension payment due on April 15, 2020 as well as any Business Tax or Interest & Dividends Tax quarterly estimated tax payment due on April 15, 2020. Interest and penalties will accrue without any relief on such payments that are not satisfied as of June 16, 2020.

Taxpayers that qualify for this additional relief may still take advantage of the automatic 7-month extension of the time to file their tax return under the circumstance described above, as long as their extension payment is received by June 15, 2020 in an amount equal to either their tax year 2018 total tax liability or tax year 2019 total tax liability. The automatic 7-month extension of the time to file the tax year 2019 return will be measured from the April 15, 2020 due date and will therefore be due no later than November 15, 2020.

A taxpayer shall qualify for this additional payment relief as follows:

- Business Tax taxpayers whose tax year 2018 total tax liability was $50,000 or less.

- Interest & Dividends Tax taxpayers whose tax year 2018 total tax liability was $10,000 or less.

The relief described in this Technical Information Release applies only to calendar year Business Tax and Interest & Dividends Tax taxpayers with April 15, 2020 due dates. In light of rapidly changing circumstances, the DRA may issue further or clarifying guidance at a later date. Additional information is available by contacting Taxpayer Services at (603) 230-5920.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5920.