Iowa Small Business Relief Tax Deferral Program continues with second round

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Iowa Director of Revenue Kraig Paulsen has announced businesses in Iowa can continue to apply for a deferral of state sales and/or withholding tax.

Governor Reynolds announced the Iowa Small Business Relief Program - which included grants and tax deferrals - on March 23. The Department of Revenue administers the tax deferral part of the program. The first round stopped accepting applications on April 30.

Paulsen said the program is continuing with a second round of deferrals to provide ongoing flexibility for small businesses that have been affected by the COVID-19 pandemic. The second round will continue through June 30.

Businesses that have already submitted an application and been accepted for the program will not need to re-apply. Information about the program can be found at **tax.iowa.gov/COVID-19**. The page contains the application, details about eligibility, important dates, and answers to frequently asked questions. New applicants will be notified by mail.

The second round of the Iowa Small Business Relief Tax Deferral program is available for tax periods beginning April 1, 2020 through June 30, 2020, but note the program has different terms:

- Only payments are deferred.
- Sales tax and withholding tax returns must be timely filed on or before the due date. If tax returns are not timely filed, you will be disqualified from the program and late payment and filing penalties will apply.
- Each payment included in the new program is deferred for 30 days. Penalties will apply and interest will begin to accrue if payment is not made by the end of the 30-day deferral period.
- Payments deferred between and including March 20, 2020 and April 30, 2020 are still deferred for 60 days as indicated in the notice you received previously.

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