



Updated: May 22, 2020

Subject: Tax Filing Extension for Small Businesses

To help ease the financial impact of the COVID-19 outbreak, the City of Seattle is offering relief to small businesses by extending the Business & Occupation quarterly tax filing and payment deadline for the first and second quarters until Oct. 31, 2020. This extension is automatic for qualified taxpayers and there is no need to apply or to contact our office. *Keep in mind that this extension pushes back the deadline but it does not waive the tax that is owed.* Please also note that crisis conditions may require changes, so check back for updates.

What businesses qualify for the extension?

Small businesses that pay Seattle B&O tax on a quarterly basis. For this automatic due date extension, a “small business” is defined as any taxpaying business that reported taxable income of \$5 million or less during the 2019 tax year.

What tax returns qualify?

At this time, only first and second quarter 2020 B&O tax filings qualify. The third quarter tax returns and payments are due on Oct. 31 as usual.

What tax returns do not qualify?

- Tax returns falling outside of this period do not qualify for this extension.
- Delinquent returns prior to these periods do not qualify.
- Any other tax types i.e. Utility, Admission, Parking, Sweetened Beverage, Gambling, and Fire Arms that are due monthly or quarterly during this time period do not qualify.

Does a business have to defer its filings?

No. Businesses can continue to file as they typically file. Deferred filing is simply an option to help smaller business get through any current financial hardship they may be experiencing due to the COVID-19 outbreak. If you are able to do so, continue filing your quarterly taxes as you would have done without the COVID-19 conditions.

Is there a special process or tax form that I need to use?

No, continue to use the online portal www.filelocal-wa.gov to file your quarterly tax return under this automatic extension. You may also request a printed form by emailing tax@seattle.gov, then file and pay via mail.

What will happen when I do not file on time? Will I get a late penalty?

2020 first and second quarter filings will not be subject to penalties or interest for qualified small business taxpayers. Your filing options are:

- **Preferred:** Combine the first and second quarter tax information with the third quarter filing. Submit one filing and payment for all three quarters electronically using FileLocal. File on or before the third quarter due date of Oct. 31, 2020.
- File first and second quarter returns electronically on FileLocal after the original due date. FileLocal will require you to pay the penalty and interest. The City will refund the penalty and interest amounts you paid at a later date.
- File manual tax forms for first, second and third quarters and submit with a combined payment on or before the third quarter due date of Oct. 31, 2020.

What if I am currently under audit or scheduled for an audit?

License and Tax Administration will postpone scheduling audits through the end of May for businesses that have an annual taxable income of \$5 million or less. If necessary, we will reevaluate the postponement at that time.

If you are a business with taxable income of less than \$5 million in the prior year currently under audit, our staff will be flexible and will work with you to either issue the audit assessment or provide an extension of up to 60 days.

What if I have a payment plan with the City?

If you have a payment plan with the City you may request your payment due date be extended 30 to 60 days. E-mail tax@seattle.gov to make your request.

What if I have collection issues?

The City will delay issuing new compliance assessments until mid-July and then reassess at that time. This includes tax delinquency notices, and other deficiency assessments.

Can I get help from someone in your office?

Yes, please e-mail us at tax@seattle.gov. Our public-facing counters will be subject to temporary closure during this crisis, to help prevent the further spread of COVID-19. However, we will respond to emails during normal business hours of 8a.m. – 5 p.m. Our phone lines may not be fully staffed during this time.

What if I need an extension but I don't qualify as a small business for the automatic extension?

If you need additional time to file, please e-mail tax@seattle.gov and request a filing extension. Extensions are available in accordance with Seattle Municipal Code 5.55.050 and Seattle Tax Rule 5-006, which states that a taxpayer may request an extension to the due date for filing any tax return for good cause. The extension request shall be in writing and received prior to the due date of the return.

Please note that only one extension shall be granted. If you still need additional time to pay any tax due, you may request a payment plan by emailing tax@seattle.gov. There will be no penalties assessed on payments that are made as part of an approved time payment plan.