



**Updated: December 22, 2020**

**Subject: Tax Filing Extension for Small Businesses**

To help ease the financial impact of the COVID-19 outbreak, the City of Seattle extended the Business & Occupation quarterly tax filing and payment deadline for the first and second quarters until Oct. 31, 2020 for small businesses. This extension was automatic for qualified taxpayers and there is no need to apply or to contact our office. *Keep in mind that this extension pushed back the deadline, but it did not waive the tax that is owed.*

**What businesses qualified 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 qualified?**

Only first and second quarter 2020 B&O tax filings qualify. The third quarter tax returns and payments were due on Oct. 31 as usual.

**What tax returns did not qualify?**

- Tax returns falling outside of this period do not qualify for this extension. (The period has ended)
- 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 did not qualify.

**Does a business have to defer its filings?**

No. Businesses could continue to file as they typically file. Deferred filing was simply an option to help smaller business get through the financial hardship they may be experiencing due to the COVID-19 outbreak.

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

No, continue to use the online portal [www.filelocal-wa.gov](http://www.filelocal-wa.gov) to file your quarterly tax return. You may also request a printed form by emailing [tax@seattle.gov](mailto:tax@seattle.gov), then file and pay via mail.

**What will happen if 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?**

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](mailto:tax@seattle.gov) to make your request.

#### **What if I have collection issues?**

The City has suspended issuing new compliance assessments until January 2021, and it will resume ongoing collection activity at that time. This includes tax delinquency notices, and other deficiency assessments.

#### **Interest Waivers**

Tax returns filed and paid in full by the extended due date are considered timely and will not incur interest. The City of Seattle will waive interest from February 29, 2020 until the termination of the COVID-19 State of Emergency or 11:59p.m. on January 19, 2021, whichever occurs first. After this date, interest will begin accruing on outstanding balances.

#### **Can I get help from someone in your office?**

Yes, please e-mail us at [tax@seattle.gov](mailto:tax@seattle.gov). Our public-facing counters have been closed temporarily 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](mailto: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](mailto:tax@seattle.gov). There will be no penalties assessed on payments that are made as part of an approved time payment plan.