

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL DRS45254-MCf-96

Short Title: Sales Tax Penalty Waiver.

(Public)

Sponsors: Senator Lee (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO WAIVE PENALTIES ON UNPAID SALES TAX LIABILITY FOR  
COVID-AFFECTED BUSINESSES THAT HAVE BECOME CURRENT.

The General Assembly of North Carolina enacts:

**SECTION 1.** The Secretary shall, for a qualifying business, waive all penalties for sales taxes due but not timely paid, as if the Secretary had, for good cause, extended the time for filing a return under the provisions of Article 5 of Chapter 105 of the General Statutes and had granted additional time within which to file the return and pay the tax due pursuant to G.S. 105-263(b). A qualifying business is a business that (i) failed to timely pay taxes due under the provisions of Article 5 of Chapter 105 of the General Statutes between February 1, 2020, and April 1, 2021, (ii) certifies that the taxes not timely paid were a direct result of economic hardship resulting from a governmental response to the COVID-19 pandemic, and (iii) paid the overdue tax debt in full due no later than May 1, 2021. As used in this act, a governmental response to the COVID-19 pandemic means an executive order by the Governor of North Carolina or a local regulation that required closures, forced reductions in building occupancy capacity, modified hours of operation, or included other public safety measures affecting normal business operations. The Department of Revenue shall make available an application to be used by a qualifying business seeking the relief provided by this act. The application must include any supporting documentation required by the Department. A qualifying business shall apply for relief under this act not later than July 1, 2021.

**SECTION 2.** This act is effective when it becomes law.

