

October 3, 2024

## Important Notice: Tax Relief for Victims of Hurricane Helene

The following important information is addressed in this notice:

- Background
- Who Qualifies for State Tax Relief
- State Tax Relief
- Exception to State Tax Relief
- How to Receive State Tax Relief
- Legal Authority

### **Background**

On September 27, 2024, Governor Roy Cooper [requested](#) an expedited major disaster for the State of North Carolina due to the impacts of Hurricane Helene. On September 28, 2024, President Joseph R. Biden approved an [emergency declaration](#) for North Carolina.

On October 1, 2024, the Internal Revenue Service (IRS) announced tax relief for certain taxpayers affected by Hurricane Helene. The federal tax relief gives affected taxpayers until May 1, 2025, to file various federal individual and business tax returns and make tax payments. For additional information on federal tax relief, see the IRS [announcement](#).

This notice announces the North Carolina Department of Revenue's (Department's) State tax relief for taxpayers impacted by the disaster.

### **Who Qualifies for State Tax Relief**

State tax relief applies to all taxpayers identified as affected taxpayers by the IRS (collectively, Affected Taxpayers). For purposes of this notice, Affected Taxpayers include:

- Individuals who live in North Carolina.
- Businesses (including tax-exempt organizations) whose principal place of business is in North Carolina.
- Other individuals and businesses whose records necessary to meet a State tax deadline are located in North Carolina.
- Relief workers who are assisting in North Carolina and are affiliated with a recognized government or philanthropic organization.
- Any individual visiting North Carolina who was killed or injured as a result of the disaster.

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# North Carolina Department of Revenue

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## **State Tax Relief**

Except as noted below in the Exception to State Tax Relief section, the Department will remove certain penalties assessed against Affected Taxpayers for licenses, returns, or payments due on September 25, 2024, through May 1, 2025, if the license is obtained, the return is filed, or the tax is paid by May 1, 2025.

The penalties that qualify for relief (collectively, Late Action Penalties) are as follows:

- Failure to Obtain a License ([G.S. 105-236\(a\)\(2\)](#))
- Failure to file a return ([G.S. 105-236\(a\)\(3\)](#))
- Failure to pay tax when due ([G.S. 105-236\(a\)\(4\)](#))
- Failure to file an informational return ([G.S. 105-236\(a\)\(10\)\(c\)](#))

In addition, except as noted below, Affected Taxpayers that previously received State tax relief through February 3, 2025, due to [Tropical Storm Debby](#) now qualify for State tax relief through May 1, 2025.

## **Exception to State Tax Relief**

Affected Taxpayers that have been notified by the Department that they are required to pay State withholding tax by the date set by the IRS for depositing federal employment taxes on those same wages (i.e., a semiweekly taxpayer) will only receive State tax relief on tax payments due on or after September 25, 2024, and before October 10, 2024, as long as the payments are made by October 10, 2024.

**Note.** An Affected Taxpayer that has until May 1, 2025, to file a federal income tax return for tax year 2023 will not receive State tax relief on a tax payment related to the 2023 tax return if the tax payment was due prior to September 25, 2024.

In addition, the Department cannot waive interest except in the limited case of interest on taxes imposed prior to or during a period for which a taxpayer has declared bankruptcy under Chapter 7 or Chapter 13 of Title 11 of the United States Code. As such, interest will be assessed on any tax due, including estimated income tax, from the date the tax was due until the date the tax is paid.

## **How to Receive State Tax Relief**

Affected Taxpayers that were assessed a Late Action Penalty in error should notify the Department of the error by taking one of the following actions:

- Submit [Form NC-5500](#), Request to Waive Penalties, or [Form NC-5501](#), Request for Waiver of an Informational Return Penalty and write "Hurricane Helene" at the top of the form.
- Call the Department at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday)

In addition, in accordance with the [Department's Penalty Waiver Policy](#), a taxpayer that is not an Affected Taxpayer may request a penalty waiver if Hurricane Helene caused the taxpayer to not meet their State filing or payment requirement. These taxpayers can request a penalty waiver by submitting either [Form NC-5500](#), or [Form NC-5501](#), as applicable.

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Taxpayers that submit Form NC-5500 should complete the “natural disaster” section of the form. Taxpayers that submit Form NC-5501 should place an “X” in the block beside “other” located on Part 4 of the form and write “Hurricane Helene” as the circumstance that prevented the timely filing of the informational return.

**Note.** Form NC-5500 and Form NC-5501 are available on the Department’s website, [ncdor.gov](http://ncdor.gov). However, any taxpayer impacted by Hurricane Helene that does not have electronic access to Form NC-5500 or Form NC-5501 can call the Department at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday), to request assistance.

### **Legal Authority**

[G.S. 105-249.2\(b\)](#) provides that the penalties for failure to obtain a license (G.S. 105-236(a)(2)), failure to file a return (G.S. 105-236(a)(3)), failure to pay tax when due (G.S. 105-236(a)(4)), and failure to file an informational return (G.S. 105-236(a)(10)(c)) may not be assessed for any period in which the time for filing a federal return or report or for payment of a federal tax is extended under section 7508A of the Internal Revenue Code because of a presidentially declared disaster.

[G.S. 105-237\(a\)](#) authorizes the Secretary of Revenue to waive or reduce any penalties provided for in Subchapter 1 of Chapter 105 of General Statutes. The Department’s [Penalty Waiver Policy](#) authorizes the waiver of penalties for automatic reasons for a taxpayer that is unable to comply with the law’s requirements to timely file a tax return or to timely pay tax due because of a natural disaster, such as a tornado or hurricane.

[G.S. 105-263\(c\)](#) provides that a person who is granted an automatic extension to file a federal income tax return, including a return of partnership income, is granted an automatic extension to file the corresponding State income tax return and franchise tax return. Importantly, this provision does not apply when a taxpayer’s federal income tax return is automatically extended because of a presidentially declared disaster.

### **Assistance**

If you have any questions about this notice, or if you would like to request Form NC-5500 or Form NC-5501, you may call the North Carolina Department of Revenue Customer Service line at 1-877-252-3052 (7:00 am until 4:30 pm Eastern Time, Monday through Friday), or write to Customer Service, PO Box 1168, Raleigh, NC 27602-1168.

*To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this important notice, the provisions contained in this important notice supersede the previous guidance.*