



State Return Extension – One Month After Federal

Background/Problem

Approximately half of all states still require a business entity (corporate, partnership, and S corporation) to file income tax and information returns to be filed on the same due date as the federal return. In these states, taxpayers and practitioners may not have adequate time after filing the federal return to prepare the state returns. This extra time is often needed to accurately file the state return to make adjustments to calculate taxable income and correctly apportion taxable income to a state. The pandemic heightened these issues with many practitioners and employees required to work remotely, which makes state tax information gathering more difficult.

Solution

Allow **at least one month** after the federal due date before requiring the state return to be filed, and the extra month for state purposes should be automatic if there is a valid extension for federal purposes.

Progress

The following states changed tax return due dates in the last few years.

State	Changes
Alabama	Changed the extended due date for <u>corporations</u> to 1 month after the federal due date.
Arkansas	Changed the extended due dates for <u>corporations</u> and <u>partnerships</u> to 1 month after the federal due date.
Arizona	Changed the extended due date for <u>corporations</u> to 7 months after its original due date, which is 1 month after the federal due date.
Colorado	Changed the due date for <u>corporations</u> to 1 month after the federal due date starting for 2023 returns due in 2024.
Georgia	Changed the due date for <u>corporations</u> to 1 month after the federal due date starting for 2024 returns due in 2025.
Illinois	Changed the extended due date for <u>corporations</u> to 1 month after the federal due date.
Kansas	Changed the extended due date for <u>corporations</u> to 1 month after the federal due date.
Louisiana	Changed the original due date for <u>partnerships</u> from 4/15 or the 15 th day of the 4 th month following close of tax year to 5/15 of the 15 th day of the 5 th month following close of tax year, so its new extended due date for partnerships is 2 months after the federal due date. Changed the extended due date for <u>corporations</u> to one month after the federal due date (from 2 months after the federal due date).
New Jersey	Changed the original due date for <u>corporations</u> to 30 days after the federal due date, so its new extended due date for corporations is 30 days after the federal due date.
Ohio	Changed the local municipal income tax due dates for extended federal returns for <u>non-individual</u> income tax returns (<i>i.e.</i> , net profit returns) to one-month after the federal due date.

Pennsylvania	Changed the language for the extended due date for <u>corporations</u> to “the fifteenth [15 th] day of the month following the termination of the Federal extension,” instead of “thirty [30] days” after the federal due date.
Tennessee	Changed the extended due date for <u>corporations and partnerships</u> to 7 months after its original due date, which is 1 month after the federal due date.

States That Currently Do NOT Provide at Least One Month After Federal Filing Due Date

The list of remaining states whose extended due dates are less than 1 month after the federal due date is below. An interpretation of current law may be that some states are restricted from extending the due date because the statute does not allow discretion. Some state laws allow discretion on due dates but would need to change rules or regulations to allow additional time to file returns.

- **Corporations:** 18 states remain with **extended due dates** that are less than 1 month after the federal due date (Oct. 15 for calendar year taxpayers).
 - Of those 18 states, 8 states (DE, IA (statutes do not address due dates, but 6-month extension specified in the reg (701 IAC § 39.2(4)), MA, MS, NY, NC, RI, WV) have some amount of discretion to change due dates (i.e., the state Director, Secretary, or Commissioner can change the due date as a matter of policy) although of those 9, 4 (GA, IA, NC, NY) require changes to state regulations.
 - 10 states (DC, FL, HI, ID, ME, MO, NE, NM, SC, UT) have no or limited discretion, generally meaning that a statutory change is required.
- **Partnerships:** 25 states remain with **extended due dates** that are less than 1 month after the federal due date (Sept. 15 for calendar year taxpayers).
 - Of those 25 states, 10 states (CT, DE, GA, MA, MS, MT, NJ, NY, NC, ND) have some amount of discretion to change due dates (i.e., the state Director, Secretary, or Commissioner can change the due date as a matter of policy) although of those 10, 3 (GA, MT, NJ) require changes to state regulations.
 - 15 states (AL, AZ, FL, ME, MN, NE, NM, OH, OR, PA, RI, SC, UT, WV, WI) have no or limited discretion, generally meaning that a statutory change is required.

State	Corporations	Partnerships	Comments
Alabama		Needs Change	
Arizona		Needs Change	
Connecticut		Needs Change	
Delaware	Needs Change	Needs Change	
District of Columbia	Needs Change for separate filers only		For non-combined corporate filers
Florida	Needs Change	Needs Change	Due 1st day of month after federal
Georgia		Needs Change	
Hawaii	Needs Change		Due 20 th day of same month as federal
Idaho	Needs Change		
Iowa	Needs Change		Due end of same month as federal

State	Corporations	Partnerships	Comments
Maine	Needs Change	Needs Change	
Massachusetts	Needs Change for separate filers only	Needs Change	For non-combined corporate
Minnesota		Needs Change	
Mississippi	Needs Change	Needs Change	
Missouri	Needs Change		
Montana		Needs Change	
Nebraska	Needs Change	Needs Change	Additional extension may be requested
New Jersey		Needs Change	
New Mexico	Needs Change	Needs Change	Additional extension may be requested
New York / New York City	Needs Change	Needs Change	Additional extension may be requested
North Carolina	Needs Change	Needs Change	
North Dakota		Needs Change	
Ohio		Needs Change	
Oregon		Needs Change	
Pennsylvania		Needs Change	
Rhode Island	Needs Change	Needs Change	
South Carolina	Needs Change	Needs Change	
Utah	Needs Change	Needs Change	
West Virginia	Needs Change	Needs Change	Additional extension may be requested
Wisconsin		Needs Change	

As of: 4/19/24