

FINANCE MEMORANDUM

Effect of IRS Deadline Extension for 2020 Personal Income Tax Returns on Penalties for NYC Individual Unincorporated Business Tax Filers

On March 17, 2021, the IRS extended the April 15, 2021 filing deadline for 2020 Personal Income tax returns to May 17, 2021. The New York City Department of Finance (DOF) recognizes that individual Unincorporated Business Tax taxpayers and their return preparers may need to take advantage of this extended due date, and therefore, may not be able to meet the April 15, 2021 filing and payment deadline for their 2020 Unincorporated Business tax returns.

Those taxpayers are encouraged to request an extension and pay any tax due by the April 15, 2021 deadline. Individual Unincorporated Business Tax taxpayers that file their returns and make their payments on or before May 17, 2021 will be allowed a waiver of certain penalties upon request. For these filings, while late filing and late payment penalties will be waived, interest, where applicable, will accrue at the appropriate underpayment rate on all tax payments received after the original due date, calculated from the original due date to the date of payment.

Requests for Penalty Abatement

Individual Unincorporated Business Tax taxpayers may request to have the penalties waived (abated) in several ways:

- You may use our portal at www.nyc.gov/eservices to file an annual return or extension and request that any penalties be waived. Enter the special condition code “21” in the space indicated near the top of the online form.
- You can request a penalty abatement by sending an email to Penalty_Abatements@finance.nyc.gov
- If you are filing a paper return or extension request, please write “21” on the top center of the front page. You may also request an abatement by writing to: NYC Department of Finance, P.O. Box 5564, Binghamton, NY 13902-5564.