

Q. Extension of Time for Filing Return (G.S. 105-263)

1. Application For Extension (17 NCAC 05C.2004)

An extension of time to file the franchise and income tax return may be granted for seven (7) months providing an extension application is timely filed. (Effective for taxable years beginning on or after January 1, 2008, the extension will be granted for six (6) months.)

2. Form to be Used

Form CD-419 is the application for extension form that must be filed before an extension of time to file the return can be granted. The form must be filed with the Department on or before the fifteenth day of the third month following the close of the income year. (Effective for taxable years beginning on or after January 1, 2008, the fifteenth day of the fourth month.)

3. Payment Due

Payment of franchise and income tax due is not required with the extension. An extension of time may be granted even if the request for extension is not accompanied by a payment of the taxes due. However, the extension of time for filing a franchise tax return or an income tax return does not extend the time for paying the tax due. The penalty of ten percent (10%) for failure to pay the tax when due will be applied to any tax not paid by the original due date. In addition, interest at the statutory rate established under G.S. 105-241.21 is accrued from the original due date to the date the tax is paid.