



TAX BULLETIN 17-9

Virginia Department of Taxation

July 28, 2017

IMPORTANT INFORMATION REGARDING **2016 VIRGINIA CORPORATE INCOME TAX** **RETURNS FILED ON EXTENSION**

As a result of recent federal legislation and administrative action by the Internal Revenue Service ("IRS"), certain corporations have an additional filing extension for federal purposes, effective for returns filed for taxable years beginning after December 31, 2015. Accordingly, such corporations now have a seven-month filing extension for Virginia income tax purposes. This tax bulletin summarizes these recent changes and explains their effect on the Virginia extended due date for corporations.

Changes to the Federal Corporate Income Tax Extended Due Date

The federal Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (H.R. 3236) changed the federal extended due date for most Subchapter C-corporations ("C-corporations") that file on a fiscal year basis from five months to six months after the original due date. As enacted, this legislative change did not affect the extension period for C-corporations that file on a calendar year basis. However, pursuant to its authority in IRC § 6081(a), the Internal Revenue Service ("IRS") issued guidance on February 7, 2017, indicating that it was administratively changing the extended due date for C-corporations that file on a calendar year basis from five months to six months after the original due date. Therefore, for Taxable Year 2016 returns and thereafter, the federal extended due date for all C-corporations is the fifteenth day of the tenth month after year-end (October 15 for calendar year filers).

Impact on the Virginia Corporate Income Tax Extended Due Date

Beginning with Taxable Year 2016 Corporate Income Tax returns, Virginia will grant up to a seven-month filing extension to C-corporations. *Virginia Code* § 58.1-453(A) grants corporations an extension of time to file their returns to the later of:

- Six months after the due date for filing the original Virginia corporate income tax return, or

- 30 days after the due date for filing the federal corporate income tax return on extension.

Prior to Taxable Year 2016, Virginia generally granted a six-month filing extension for Corporate Income Tax returns. Therefore, the Virginia extended due date has fallen on the fifteenth day of the tenth month after year-end (October 15 for calendar year filers).

Effective for Corporate Income Tax returns filed with respect to Taxable Year 2016 and each taxable year thereafter, Virginia will grant a seven-month filing extension to all C-corporations. Because of the recent federal changes and the Tax Commissioner's authority to grant an extension pursuant to *Va. Code* § 58.1-105(A), the Virginia extended due date for C-corporations will now fall on the fifteenth day of the eleventh month after year-end (November 15 for calendar year filers).

As previously recognized in [Tax Bulletin 16-1](#), Virginia's original return due date for Corporate Income Tax returns is unchanged and remain due by the fifteenth day of the fourth month after year-end (April 15 for calendar year filers). See *Va. Code* § 58.1-441. In addition, both Virginia's original and extended due dates are unchanged for any corporation to which *Va. Code* § 58.1-401(5) applies. For such nonprofit corporations reporting unrelated business taxable income or other taxable income, the original return due date remains the fifteenth day of the sixth month after year-end (June 15 for calendar year filers), and the extended due date remains the fifteenth day of the twelfth month after year-end (December 15 for calendar year filers).

Further Instructions

If you have additional questions, please visit the Department of Taxation's website at <http://www.tax.virginia.gov>, or contact the Department at (804) 367-8037.