

The deadline for filing Virginia income tax returns remains May 1st because that date is set in state law. However, because state law permits the Tax Commissioner to extend deadlines for paying taxes, **the deadline to pay any income tax due was moved to June 1st.**

I know different deadlines are confusing, as well as, questions about why Virginia's extension to pay taxes isn't July 15th like the IRS. Here are some details from discussions with the Administration on these deadlines:

- The reason the IRS deadline for filing returns and paying taxes could be extended to July 15th is because the federal budget (fiscal) year doesn't start until October 1st. In contrast, Virginia's budget (fiscal) year starts July 1st. Since taxpayers who owe taxes tend to file just before the deadline, an extension to July 15th would trigger a state revenue shortfall of over \$2 billion needed to cover obligations that Virginia must meet before July 1st.
- Virginia always adopts a 2-year budget and, if we were in the middle of a 2-year budget, at least some of these obligations could be paid when the delayed income tax payments are received. Unfortunately, this June is end of the current 2-year adopted budget and there is no authorization to just move funds, as most other states can do because their legislatures are elected in even years and they are in the middle of a budget cycle.
- In addition, most state legislatures were in session or haven't adjourned and could legally make adjustments to an adopted budget. In contrast, Virginia's session is one of the shortest in the nation and we adjourned March 12th.
- Finally, the federal government can go into debt to meet any shortfall - Virginia cannot.

Since, Virginia is not in a position to extend the tax deadlines to July 15th, where does that currently leave Virginia taxpayers?

- **Anyone who doesn't owe Virginia taxes, gets an automatic 6-month extension** of the May 1st deadline **to file a tax return** without any penalty.
- However, **if you think you owe taxes**, to avoid paying interest and penalties, **use [this link](#) by May 1st to estimate the amount you may owe** over what you paid or was withheld in 2019. **By June 1st, you must then make a payment to reach 90% of that estimate or the Virginia taxes you paid last year (whichever is less.) You then will have 6 months to compute the actual amount.** If the actual amount is less than what you paid, you'll get a refund. If the actual amount is more than the estimate you paid, as of now, Virginia law requires that interest be charged.