Insights: Legal Alert

Session Law 2021-180 impact on NC Individual and Corporate Income Tax Returns; NCDOR now accepting applications for Business Recovery Grants

December 16, 2021

On November 18, 2021, Governor Cooper signed into law Session Law 2021-180 (Senate Bill 105). This legislation updated North Carolina's reference to the Internal Revenue Code from May 1, 2020, to April 1, 2021. As enacted, any changes made as of April 1, 2021, including any changes made by the Consolidated Appropriations Act, 2021 (CAA) and the American Rescue Plan Act of 2021 (ARPA) (collectively, “federal tax provisions”), apply to North Carolina income tax to the extent North Carolina follows the federal tax provisions.

Last week, the North Carolina Department of Revenue (NCDOR) issued a notice explaining how specific federal provisions included in the CAA and the ARPA affect North Carolina individual and corporate income tax returns, for tax year 2020. This notice also provides instructions on how a taxpayer can amend a NC Tax Return for tax year 2020. Any impact of the CAA and the ARPA on NC Tax Returns for tax year 2021 will be addressed in the instructions for the 2021 NC Tax Returns, which should be released in early 2022. The full notice from NCDOR can be found here.

Additionally, NCDOR announced today that it will begin accepting applications for Business Recovery Grants on Thursday, December 16, 2021. The Business Recovery Grant Program (BRG) will issue a one-time payment to eligible North Carolina businesses that experienced significant economic loss due to COVID-19. The application period will close on January 31, 2022. More details on the grant program can be found here.

If you have any specific questions please reach out to our team.