



TAX BULLETIN 23-8
Virginia Department of Taxation
October 3, 2023

**IMPORTANT INFORMATION REGARDING
VIRGINIA'S PTET FILING DEADLINE FOR CERTAIN
TAXABLE YEAR 2022 RETURNS**

**PTET MINIMUM \$100 LATE FILING PENALTY WAIVER
FOR CERTAIN TAXABLE YEAR 2022 RETURNS FILED BY FEBRUARY 1, 2024**

As some pass-through entities ("PTEs") are waiting for a free online filing option to file their Taxable Year 2022 pass-through entity tax ("PTET") returns, the Department of Taxation ("the Department") is granting a waiver of the minimum \$100 Late Filing Penalty that would otherwise apply to a late-filed PTET return, so long as PTEs comply with the requirements below. The relevant payment deadlines will remain the same.

Waiver of the Minimum \$100 Late Filing Penalty for Certain PTEs Filing After the Extended Due Date

Electing PTEs must file Form 502PTET electronically. Because certain software vendors are not supporting the filing of Form 502PTET, the Department will be offering a free online filing option. However, this option will not become available until December 2023, which is after the Taxable Year 2022 extended due date for many electing PTEs.

While electing PTEs were able to pay their PTET liability in full by the original due date, many PTEs will not be able to file a return by the extended due date unless they are using tax software that supports filing a PTET return. As a result, such entities that have paid in full by the original due date but do not file until after the extended due date would be subject to a minimum \$100 Late Filing Penalty, which would apply even if no tax is due with the return.

The Department will not impose the minimum \$100 Late Filing Penalty that would otherwise apply to impacted taxpayers that file a Taxable Year 2022 return after the applicable extended due date, provided that the PTE:

- Paid the full amount of PTET owed on or before their original due date (April 17, 2023 for calendar year filers), and

- Files its PTET return using the Department's free online filing option on or before February 1, 2024.

This waiver only applies to electing PTEs impacted by the unavailability of a free online filing option on the applicable extended due date. For this purpose, this would only apply to PTEs with Taxable Year 2022 extended due dates occurring on or before February 1, 2024. To qualify for this waiver, such PTE must have fully paid its PTET liability by its original due date and it must subsequently file using the Department's direct file option on or before February 1, 2024. If the PTE subsequently files its Taxable Year 2022 Form 502PTET by any means other than the Department's free online filing option, it would not be eligible. In addition, this waiver only applies to the minimum \$100 Late Filing Penalty. This waiver does not apply to interest or any other penalties.

If full payment of an electing PTE's PTET liability was not made by the original due date, the PTE will not qualify for the waiver provided by this tax bulletin and will be assessed all applicable penalties along with interest in accordance with the *Code of Virginia*. If such a PTE wishes to request a waiver of the failure to file penalty or any other penalties, it must complete and submit an offer in compromise ("OIC") request. For information on the OIC process and the forms on which to submit such a request, please visit <https://www.tax.virginia.gov/offer-compromise>.

Further Instructions

This Tax Bulletin is available online in the [Laws, Rules & Decisions](#) section of the Department's website. If you have additional questions, please visit the Department's website at <http://www.tax.virginia.gov>, or contact the Department at (804) 367-8037.