



IMPORTANT NOTICE: AUTOMATIC WAIVER OF THE PENALTY FOR FAILURE TO FILE FORM NC-3 IN THE FORMAT PRESCRIBED BY THE SECRETARY

The following important information is addressed in this notice:

- Automatic waiver of the penalty for failure to file in the format prescribed by the Secretary if the 2018 Form NC-3 or the required W-2 and 1099 statements are not filed electronically

Secretary Announces Automatic Waiver of the Penalty for Failure to File Form NC-3 and Required W-2 and 1099 Statements in the Format Prescribed by the Secretary

On October 17, 2018, the Secretary of Revenue (“Secretary”) announced that the Department of Revenue (“Department”) would impose a \$200 penalty against persons that fail to file certain informational returns in a format prescribed by the Secretary. (See [Important Notice dated October 17, 2018](#)). For purposes of Form NC-3, the format prescribed by the Secretary requires a payer to file one Form NC-3, along with the State’s copy of all required W-2 and 1099 statements, in an electronic format on or before the due date via the Department’s eNC3 and Information Reporting Application.

Because the Secretary has become aware that some software vendors are not providing support for the electronic filing of Form NC-3 or the required W-2 and 1099 statements (collectively, “Form NC-3”), the Secretary has elected to automatically waive the \$200 penalty for failure to file the 2018 Form NC-3 in the format prescribed by the Secretary. As such, the Department will not impose the penalty on NC-3 forms not filed electronically.

Importantly, for most payers, the due date of the 2018 Form NC-3 is January 31, 2019. If a payer does not timely file Form NC-3 either electronically or by paper on or before January 31, 2019, the Secretary will impose a failure to timely file penalty against the taxpayer as prescribed under [G.S. 105-236\(b\)\(10\)\(c\)](#). The failure to file penalty is \$50 per day, up to a maximum of \$1,000, for failure to file certain informational returns with the Secretary by the date the return is due.

Persons who timely submit the 2018 Form NC-3 on or before January 31, 2019, but in a manner not prescribed by the Secretary should not include the \$200 penalty when filing Form NC-3 and should not include [Form NC-5501](#), Request to Waive Informational Return Penalties. Persons who do not submit the 2018 Form NC-3 by January 31, 2019, may still request a penalty waiver for failure to timely file an informational return by

submitting Form NC-5501. While some taxpayer are having difficulty, the Department strongly encourages electronic submission of Form NC-3 and the required statements. For information on submitting the forms electronically, go to www.ncdor.gov/eNC3.

Assistance

If you have any questions about this notice, you may call the Taxpayer Assistance Division at 877-252-3052 (8:00 am until 5:00 pm EST, Monday through Friday), or write the Department at PO Box 1168, Raleigh, NC 2760.

To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this important notice, the provisions contained in this important notice supersede the previous guidance.