

STATE TAX AMNESTY DETAILS

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Introduction:

This SALT Buzz provides information on various state amnesty programs that may assist taxpayers in limiting state and local tax exposures. This SALT Buzz will be updated periodically to discuss new state amnesty programs or to provide updates to scheduled state tax amnesty programs.

If you have an unreported liability in a state other than those discussed in this SALT Buzz, don't worry. Most states have voluntary disclosure programs that are similar to amnesty programs, in which a taxpayer enters into an agreement with the state to remit unreported liabilities for a limited period of time without the payment of a penalty (and sometimes interest). Participation in voluntary disclosure programs can generally be done on an anonymous basis. Please see [our previous SALT Buzz dated February 19, 2017](#) for more information on voluntary disclosure programs.

January 2, 2018

Connecticut:

The Connecticut tax amnesty program is currently open and continues until November 30, 2018. Taxes administered by the Connecticut Department of Revenue Services (“CDRS”), including income tax, business entity tax, sales and use tax, withholding tax, corporation business tax, and gift tax, that were due by December 31, 2016 are eligible taxes for the Connecticut tax amnesty program. The Connecticut tax amnesty program does allow for participants to negotiate a limited lookback period. Participants will pay the underpaid tax liability and 50% of the statutory interest due.

The Connecticut tax amnesty program is focused on assisting taxpayers with future Connecticut tax compliance. Therefore, the Connecticut tax amnesty program is not available for underpaid tax liabilities for tax types and tax periods in which the taxpayer:

- Has received a bill from the CDRS;
- Is under audit by the CDRS;
- Is a party to a closing agreement with the CDRS;
- Has protested a determination of an audit; or
- Is party to litigation against the Connecticut Tax Commissioner.

Taxpayers that want to participate in the Connecticut tax amnesty program must complete an online application. More information on the Connecticut tax amnesty program, including the link to the online application, can be viewed [here](#).

Ohio:

The Ohio tax amnesty program begins on January 1, 2018 and continues until February 15, 2018. The Ohio tax amnesty program is an opportunity for eligible individuals and businesses that have qualifying unreported Ohio tax liabilities to remit such tax with no penalty and 50% of the statutory interest. The Ohio Department of Taxation (“ODT”) has developed a website with information on the Ohio tax amnesty program, including information on how to apply to participate in the Ohio tax amnesty program. The website can be viewed [here](#).

Based upon discussions with ODT, it is the ODT's policy that in order to participate in the Ohio tax amnesty program, a taxpayer has to report and pay the tax liability for all periods that are due and unpaid as of May 1, 2017, regardless of any statute of limitation. The exception to the policy is for consumer's use tax, which taxpayer's are not required to report any tax due and unpaid prior to January 1, 2008.

In order to be eligible, a taxpayer cannot have been contacted by ODT about the tax liability. Based upon discussions with ODT, contact includes receiving a bill or being contacted for audit. This contact precludes a taxpayer from participating in the Ohio tax amnesty program for the period addressed in the bill or in the audit. The taxpayer may still participate in the Ohio tax amnesty program for periods not addressed by the bill or the audit for the same type of tax, and for all other taxes covered by the Ohio tax amnesty program.

The Ohio voluntary disclosure program will remain open during the tax amnesty period. The Ohio voluntary disclosure program offers participants a limited lookback period and an abatement of penalties, but a taxpayer is required to pay 100% of the statutory interest. Thus, there may be instances where a voluntary disclosure agreement may be more beneficial than participating in the Ohio tax amnesty program. Taxpayers should analyze the benefits of either the Ohio tax amnesty program or the voluntary disclosure program to see which option is the best to get into compliance:

| | Tax Amnesty | Voluntary Disclosure |
|--------------|--------------------|-----------------------------|
| Period | All Open Years | Limited Look-Back |
| Penalty | None | None |
| Interest | 50% | 100% |
| Confidential | Yes | Yes |

Zaino Hall & Farrin LLC's John Trippier recently wrote an article for the Ohio Society of CPAs that discusses the Ohio tax amnesty program in more detail and can be viewed [here](#). The Ohio tax amnesty program is also discussed in the August 21, 2017 and July 17, 2017 entries below.

Rhode Island:

The Rhode Island tax amnesty program opened on December 1, 2017 and will continue until February 15, 2018. Interested taxpayers should act quickly to ensure that they meet the upcoming deadline. The Rhode Island tax amnesty program is also discussed in the October 13, 2017 and August 21, 2017 entries below.

Texas:

S.B. 1 authorizes a Texas tax amnesty program for taxes administered by the Texas Comptroller. The Texas tax amnesty program will run from May 1, 2018 through June 29, 2018. The Texas tax amnesty program applies to periods prior to January 1, 2018, and only tax liabilities that have not been identified by the Comptroller are eligible. Texas will waive interest and penalties for participants in the Texas tax amnesty program. This SALT Buzz will be updated as more information on the Texas tax amnesty program becomes available.

If you would like to discuss a state tax amnesty program or state voluntary disclosure programs, please contact John Trippier, Tom Fagan or any of the other professionals at Zaino Hall & Farrin LLC.

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