

STATE TAX AMNESTY DETAILS

APRIL 30, 2018



JOHN R. TRIPPIER, CPA

DIRECTOR, MULTISTATE TAXES

(NON-ATTORNEY PROFESSIONAL)

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.

April 24, 2018

Alabama:

H.B. 137 authorizes an Alabama tax amnesty program for all taxes, except for motor fuel, motor vehicle, and property taxes, administered by the Alabama Department of Revenue (“ADOR”) that were due prior to January 1, 2017, or were for tax periods that began before January 1, 2017. The Alabama tax amnesty program will run from July 1, 2018 to September 30, 2018. Participants will pay the underpaid tax liability and will not be required to pay any interest or penalties. The Alabama tax amnesty program includes a limited look back period of three tax years.

In order to be eligible to participate in the Alabama tax amnesty program, a taxpayer must not have been contacted by the ADOR for the prior two years for the tax type that the taxpayer is requesting amnesty. Contact is defined to include an audit or notice of audit, a payment of tax, a payment of estimated tax, a registration for tax, a request for extension of time to file a tax return, or the filing of a tax return. Thus, in order to participate in the Alabama tax amnesty program, a taxpayer must not have filed a return or paid tax on the tax type that amnesty is being requested within the previous two tax years.

The following taxpayers are also not eligible to participate in the Alabama tax amnesty program:

- The taxpayer that is a party to a criminal investigation or criminal litigation for the failure to pay Alabama taxes;
- The taxpayer that has filed a false or fraudulent return or statement as part of the Alabama tax amnesty program;
- The taxpayer that has been issued a final assessment and the time to appeal the assessment has past;
- The taxpayer that has entered into a voluntary disclosure agreement with the ADOR before December 31, 2017; and
- The taxpayer that has been granted amnesty as part of the Alabama Tax Delinquency Amnesty Act of 2016.

The taxpayer must electronically file an amnesty application and include a written waiver of the right to protest the tax payments made under the Alabama tax amnesty program. The taxpayer also must agree to

waive the right to request a refund of tax payments, except for a refund resulting from federal audit changes, made under the amnesty program.

If a taxpayer is granted amnesty, the taxpayer must submit all applicable returns, supporting documentation, and payment of tax due for the tax amnesty period and the current tax year to the ADOR by November 15, 2018. The ADOR is not permitting payment plans for tax due. Taxpayers that participate in the Alabama tax amnesty program must remain in compliance for tax periods beginning after December 31, 2016 and before December 31, 2024 or risk being subject to penalties for the taxes reported during the amnesty period.

The ADOR may audit a taxpayer's Alabama tax amnesty return filings. The ADOR may impose additional penalties if the audit results in a tax assessment. The penalty would only be imposed on the increase in tax from the amnesty returns and the tax assessment. A taxpayer retains the right to protest any tax assessment made by the ADOR in excess of the tax payments made under the amnesty program.

Connecticut:

The Connecticut tax amnesty program is currently open and continues until November 30, 2018. The Connecticut tax amnesty program is discussed in more detail as part of our January 2, 2018 entry below.

Texas:

The Texas tax amnesty program will run from May 1, 2018 through June 29, 2018. Taxes administered by the Texas Comptroller ("Comptroller"), including the franchise tax and sales and use taxes, due before January 1, 2018 are eligible for the Texas tax amnesty program. Participants will pay the underreported tax liability and will have interest and penalties waived.

The following taxpayers are eligible to participate in the Texas tax amnesty program:

- Taxpayers that did not file and/or pay tax due on a return originally due before January 1, 2018; and
- Taxpayers that underreported tax due on a return filed with the

Comptroller that is unknown to the Comptroller.

Taxpayers are ineligible to participate in the Texas tax amnesty program if they are currently under audit, or received notification that they have been identified for audit. Additionally, taxpayers that have signed a settlement agreement with the Comptroller or entered into a voluntary disclosure agreement with the Comptroller are ineligible to participate in the Texas tax amnesty program.

Taxpayers that would like to participate in the Texas tax amnesty program are required to file paper returns and write “Amnesty” at the top of the return. Texas will not accept electronic returns as part of the Texas tax amnesty program. Additionally, the Texas tax amnesty program will not permit payment plans.

More information is available at the Comptroller’s website and [can be viewed here](#).

ZAINO HALL & FARRIN LLC

ATTORNEYS AT LAW

WWW.ZHFTAXLAW.COM

614-326-1120

855-770-1120 (toll-free)

RON AMSTUTZ

(non-attorney professional)
614-782-1545(Direct)
330-347-3533 (Mobile)
ronamstutz@zhfconsulting.com

STEVE AUSTRIA

(non-attorney professional)
614-349-4820 (Direct)
937-609-8355 (Mobile)
saustria@zhftaxlaw.com

ADAM L. GARN

614-349-4814 (Direct)
agarn@zhftaxlaw.com

RICHARD C. FARRIN

614-349-4811 (Direct)
614-634-3130 (Mobile)
rfarrin@zhftaxlaw.com

CHARLOTTE B. HICKCOX

(non-attorney professional)
614-349-4819 (Direct)
614-537-4339 (Mobile)
chickcox@zhftaxlaw.com

STEPHEN K. HALL

614-349-4812 (Direct)
614-284-1253 (Mobile)
shall@zhftaxlaw.com

BRAD W. TOMLINSON

(non-attorney professional)
614-349-4818 (Direct)
btomlinson@zhftaxlaw.com

DEBORA D. MCGRAW

614-349-4813 (Direct)
614-595-5560 (Mobile)
dmcgraw@zhftaxlaw.com

JASON WALKER

(non-attorney professional)
614-349-4817 (Direct)
916-533-1626 (Mobile)
jwalker@zhftaxlaw.com

JOHN R. TRIPPIER

(non-attorney professional)
614-349-4815 (Direct)
614-203-4173 (Mobile)
jtrippier@zhftaxlaw.com

THOMAS M. ZAINO

614-349-4810 (Direct)
614-598-1596 (Mobile)
tzaino@zhftaxlaw.com