

PUBLICATION

Spotlight on SALT: State Tax Amnesty Programs Currently Offered in Seven Jurisdictions – Some End September 30

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Six states and the District of Columbia are currently offering tax amnesty programs for a variety of state level taxes, including individual and corporate income taxes, sales and use taxes, and other business taxes. For some of these programs, parties who owe tax but have not filed tax returns and paid tax for prior years should act quickly to determine whether tax amnesty is right for them. In most cases, penalties can be waived, as well as interest in limited circumstances, in return for the party agreeing to pay all past due taxes and file all past due returns.

The tax amnesty programs offered in those seven jurisdictions are briefly described as follows:

District of Columbia: The amnesty program ends September 30, 2010, and is applicable to all taxes administered by the Office of Tax and Revenue, except real property taxes and the Ballpark Fee. Amnesty periods are for returns due prior to December 31, 2009.

Florida: The amnesty program ends September 30, 2010, and is applicable to all taxes administered by the Department of Revenue, except unemployment tax and the Miami-Dade County Lake Belt fee. Amnesty periods are for returns due prior to July 1, 2010.

Illinois: The Illinois amnesty program will begin October 1, 2010, and run until November 8, 2010. All taxes administered by the Department of Revenue will be eligible for amnesty. Amnesty periods are for tax liabilities of tax periods after June 30, 2002, and prior to July 1, 2009.

Kansas: The Kansas amnesty program began September 1, 2010, and ends October 15, 2010. Most taxes administered by the Department of Revenue are eligible for amnesty. Amnesty periods are for tax liabilities due and unpaid for tax periods ending on or before December 31, 2008.

Maine: Beginning September 1, 2010, and ending November 30, 2010, Maine offers tax amnesty, but only for taxpayers that have been assessed tax by the State Tax Assessor. Different interest and penalty waivers will apply depending on whether a taxpayer is part of the "short-term initiative" (assessed as of December 31, 2009) or part of the "Five-year initiative" (assessed as of June 30, 2005).

Nevada: The Nevada amnesty program ends September 30, 2010, and is applicable to sales and use taxes, modified business tax, certain business-license fees, centrally assessed property taxes, and various other taxes administered by the Department of Taxation. Amnesty periods are for eligible taxes due and payable prior to July, 2010.

New Mexico: The amnesty program ends September 30, 2010, and is applicable to all taxes administered by the Department of Taxation and Revenue. Amnesty periods are for taxes due prior to January 1, 2010.

Eligible parties that are not in tax compliance in any of these jurisdictions should seriously consider whether to participate in these tax amnesty programs.

Since several of these programs have very limited durations, any serious considerations to so participate should be expedited. Other states that are not currently offering tax amnesty programs may still provide voluntary compliance programs, or other similar programs, that can provide some relief to non-compliant parties. Whether the program being considered by a party provides amnesty or is one that requires voluntary compliance, that party should not initiate a discussion with the applicable jurisdiction without first consulting with a tax advisor as to the conditions, requirements and limitations of the program.

If you would like more information about these seven tax amnesty programs, please contact one of the members of our Tax Department.