

Is Pennsylvania offering a tax amnesty and what is tax amnesty?

Yes. Act 84 of 2016 authorized the Pennsylvania Department of Revenue to administer a PA Tax Amnesty program. The Tax Amnesty period will run from April 21, 2017 to June 19, 2017.

During the 60-day timeframe, the department will waive all penalties and half of the interest for anyone who participates in the Tax Amnesty program.

What taxes and tax periods are eligible for the Tax Amnesty program?

The taxes administered by the department, listed below, are eligible for the Tax Amnesty program.

The Tax Amnesty program does not apply to Unemployment Compensation because it is administered by the Pennsylvania Department of Labor and Industry. Also, the Tax Amnesty program does not apply to any tax administered by another state, local government or the federal government/Internal Revenue Service.

Eligible periods for tax amnesty are those where a delinquency exists as of December 31, 2015, whether the delinquency is known or unknown to the department.

Taxes eligible for the Tax Amnesty program include:

- Agriculture Cooperative Tax;
- Bank and Trust Company Shares Tax;
- Capital Stock or Foreign Franchise Tax;
- Cigarette Tax;
- Corporate Net Income Tax;
- Corporate Loans Tax;
- Electric Cooperative Tax;
- Employer Withholding Tax;
- Financial Institutions/Title Insurance Company Shares Tax;
- Fuel Use Tax;
- Gross Premiums Tax;
- Gross Receipts Tax
- Hotel Occupancy Tax, including the state administered 1% Local Hotel Occupancy Tax for Philadelphia and Allegheny County;
- Inheritance and Estate Tax;
- Liquid Fuels Tax;
- Malt Beverage Tax;
- Marine Underwriting Profits Tax;
- Motor Carriers Road Tax, for IFTA vehicles, PA portion only;
- Motor Vehicle Carriers Gross Receipts Tax;
- Mutual Thrift Institutions Tax;
- Oil Company Franchise Tax;
- Parimutuel Wagering and Admissions Tax;
- Personal Income Tax;
- Public Transportation Assistance (PTA);
- Public Utility Realty Tax;
- Realty Transfer Tax, including Local Realty Transfer Tax;

- Sales and Use Tax, including Local Sales and Use Tax for Philadelphia and Allegheny County;
- Surplus Lines Tax;
- Unauthorized Insurance Tax, monthly; and Vehicle Rental Tax (VRT)

What are the benefits of the Tax Amnesty program?

You may resolve your tax amnesty eligible debt by paying the tax and half of the interest. The department will rescind liens or other enforcement actions for that debt and you save half of the interest, all of the penalty, and any fees, such as lien filing fees and collection agency fees.

What are the consequences if I do not participate in the Tax Amnesty program?

If you are eligible for the Tax Amnesty program, but choose not to participate, a 5 percent non-participation penalty will be added to your balance due and you may be subject to other enforcement actions.

However, if you are currently in bankruptcy protection; have received a bankruptcy discharge determination; have an active deferred payment plan; or if your state tax liability is covered by a timely administrative or judicial appeal, this penalty will not apply to you.

Who can apply for the Tax Amnesty program?

Individuals, businesses and other entities with state tax delinquencies as of December 31, 2015, are generally eligible to participate in the Tax Amnesty program. Individuals, businesses and other entities that participated in 2010 Tax Amnesty program are ineligible to participate in the 2017 Tax Amnesty program.

Non-filed tax returns or reports, as well as unpaid or under-reported tax liabilities are eligible delinquencies, whether known or unknown to the PA Department of Revenue.

Unpaid taxes due after December 31, 2015, are not eligible for the Tax Amnesty program. However, non-filed or under-reported taxes due after December 31, 2015 must be filed by June 19, 2017, to participate in the Tax Amnesty program.

Any taxpayer who is currently under criminal investigation for an alleged violation of any tax law, has been named as a defendant in a criminal complaint alleging a violation of any tax law administered by the department prior to April 21, 2017, or is a defendant in a pending criminal

action for an alleged tax law violation is not eligible for the Tax Amnesty program.

A taxpayer in bankruptcy is not eligible for tax amnesty unless permission is granted by the Bankruptcy Court.

An eligible tax liability under an administrative or judicial appeal may be included in the Tax Amnesty program. However, the appeal of the liability must be withdrawn before tax amnesty will be granted.

If I am currently under bankruptcy protection, am I eligible for tax amnesty?

No. If you are currently in bankruptcy protection or you have previously received a discharge determination of your Pennsylvania tax liabilities through a bankruptcy proceeding, you may not apply for tax amnesty unless permission to participate in the Tax Amnesty program is granted by the Bankruptcy Court.

If I participated in the 1996 Tax Amnesty program or the 2010 Tax Amnesty program, can I participate in the 2017 Tax Amnesty program?

Taxpayers who participated in the first Tax Amnesty program held in 1996 are eligible to participate in the 2017 PA Tax Amnesty program.

However, under the law authorizing the program, taxpayers who participated in the 2010 Tax Amnesty program are ineligible to participate in the 2017 Tax Amnesty program.

What is the deadline for applying for tax amnesty and meeting all requirements for participation in the Tax Amnesty Program?

The Tax Amnesty period concludes on June 19, 2017. Additional information will be provided prior to the start of the Tax Amnesty period.

How do I access the Tax Amnesty application and what materials do I need to submit an application?

The Tax Amnesty period does not begin until April 21, 2017. Additional information will be provided prior to that date.

How can I find out how much I owe in back taxes so I may apply for tax amnesty?

Prior to the start of the Tax Amnesty period, the department will mail notices to taxpayers with known tax delinquencies with instructions on how to apply.

Business taxpayers may request a statement of account that shows all liabilities by visiting e-TIDES at www.etides.state.pa.us.

Individuals may review account information, including all liabilities by visiting the Personal Income Tax e-Services Center at www.doreservices.state.pa.us. First time users will be required to register for the site.

How many years of back taxes do I have to file and pay to qualify for tax amnesty?

If you are reporting and paying taxes which are unknown to the department –meaning you have not filed, not paid, or underreported the state taxes, and you have not been contacted by the department about the taxes - you could qualify for a limited filing period. In this case, only unknown tax delinquencies dating back to January 1, 2011, must be filed and paid before the close of the Tax Amnesty period. Non-filed periods due after December 31, 2015 must be filed by June 19, 2017 to be approved for tax amnesty.

How do I calculate how much interest I owe under the Tax Amnesty program?

The department will provide additional information about calculating interest closer to the start of the Tax Amnesty period.

Below are links to the Department of Revenue's penalty and interest calculators, which may be used to calculate standard penalty and interest:

- [Business Taxes Calculator](#) (including Sales and Use, Corporation, Realty Transfer and Employer Withholding Taxes)
- [Individual Taxes Calculator](#) (including Income, Inheritance and Cigarette Taxes)

Can I receive a refund on penalty and interest payments made prior to the Tax Amnesty period?

No. All penalty and interest paid before the Tax Amnesty period are non-refundable.

How can I pay delinquent taxes not eligible for tax amnesty?

Only state taxes delinquent as of December 31, 2015, are eligible for the Tax Amnesty program.

Payments for more recent outstanding tax liabilities are not eligible for tax amnesty. If you are currently working with a department revenue

agent, please contact that agent for assistance. If not, please call 717-783-8434 for assistance in making payment arrangements.

In order to retain Tax Amnesty eligibility after an Amnesty application is approved, a taxpayer must remain compliant with state taxes for two years by filing returns and remitting tax payments timely.

If I am currently on a deferred payment plan, can I still apply for tax amnesty?

Yes. However, the terms of your deferred payment plan, including how payments are applied, will remain in effect. During the Tax Amnesty period, you are eligible to receive relief from penalty and half of the interest that remains due on your account. All remaining tax and half of the interest must be paid in full by the close of the Tax Amnesty period, June 19, 2017.

How do existing tax appeals impact Tax Amnesty eligibility, and how does participating in the Tax Amnesty Program impact appeal rights?

In order to participate in the Tax Amnesty program, a taxpayer must agree to withdraw any administrative or judicial appeal of the liability eligible for tax amnesty.

However, a taxpayer does not need to withdraw all appeals in order to participate in the Tax Amnesty program. Only appeals of liabilities for which the taxpayer would like to take advantage of tax amnesty must be withdrawn.

Further, an appeal on one liability does not affect whether other liabilities are eligible for tax amnesty.

A taxpayer who applies for tax amnesty forfeits all future appeal rights for liabilities paid through the Tax Amnesty program.

How will the department notify delinquent taxpayers of the PA Tax Amnesty program?

Prior to the start of tax amnesty, the department will mail notices to delinquent tax accounts with valid addresses.

This notice will contain important information for taxpayers.

- Businesses may correct their address via e-TIDES at www.etides.state.pa.us.
- Individuals may correct their address via the [Personal Income Tax e-Services Center at www.doreservices.state.pa.us](http://www.doreservices.state.pa.us)

How long will the Voluntary Disclosure program accept new applications for agreements, considering the upcoming Tax Amnesty program?

The [Voluntary Disclosure program](#) will remain active during Tax Amnesty. Taxpayers should consult with their tax preparer to determine if the Voluntary Disclosure program is more appropriate.

I currently have a Voluntary Disclosure agreement; should I continue working with the Voluntary Disclosure Office, or can I apply for the Tax Amnesty program?

Practitioners and taxpayers with established Voluntary Disclosure agreements should continue working with the Voluntary Disclosure Office until all terms of the agreement are complete.

Taxpayers who have entered into Voluntary Disclosure agreements are bound by those agreements to pay all of the interest due and are not eligible for the interest discount through the 2017 Tax Amnesty program.

I have reported and paid all required tax liabilities through the Voluntary Disclosure program. May I apply to the PA Tax Amnesty program to only pay one-half the interest due?

No. Per the terms of the Voluntary Disclosure agreement, taxpayers participating in Voluntary Disclosure are responsible for paying all of the interest due.