

Two Weeks Left - PA Tax Amnesty Not Just for Non-filers

June 1, 2010

Two weeks remain for taxpayers to take advantage of Pennsylvania's Tax Amnesty Program, which ends on June 18th. The program offers eligible taxpayers the chance to save 50% of interest and 100% of penalties on delinquent taxes due the Commonwealth. Amnesty provides not only an opportunity for non-filers to come clean, but also a good savings opportunity for regular filers currently under audit or facing future audit liability.

Taxpayers anticipating assessments still have time to move taxes into the program and save the penalty and half the interest that ultimately could be assessed. While it may be too late to pursue some of the strategies available earlier in the amnesty period to work with auditors in positioning deficiencies for amnesty filings, strategies are still available in certain circumstances to provide interest and penalty savings where a finding of additional liability is anticipated in a current audit or in an audit to be performed in the foreseeable future.

Governor Rendell recently announced that the program has so far resulted in the disclosure of almost \$77 million in tax liabilities, which is more than one-third of the total \$190 million that the Commonwealth originally estimated would be generated. There is likely to be an amnesty "rush" in the final weeks of the program; in the last Pennsylvania amnesty program, in 1998, three-fourths of the total amount paid was collected during the final two weeks of the program. Taxpayers wishing to participate in the current amnesty should complete the application process as soon as possible in order to avoid a last minute amnesty "traffic jam."

The attorneys of the McNees SALT Group are available to answer any questions regarding the amnesty program, and may be contacted as follows:

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