



District of Columbia Tax Amnesty: August 2 – September 30

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On July 29, the District of Columbia's Office of Tax and Revenue ("OTR") announced that it will launch a tax amnesty program that will run from August 2 through September 30, 2010. The amnesty program applies to taxes that were due prior to December 31, 2009. The eligible tax types include corporate and unincorporated franchise, withholding, sales and use, gross receipts, personal income, and special event taxes. The amnesty does not cover real property taxes and the ball park fee. All penalties and fees will be waived for taxpayers satisfying delinquent tax liabilities under the amnesty program.

Taxpayers who wish to participate in the amnesty program will be required to file with the Office of Tax and Revenue an amnesty application for each tax type for which it seeks amnesty, and to pay all tax and interest due during the amnesty period. The District is encouraging taxpayers to take advantage of this opportunity to satisfy their tax liabilities. Particularly, for business taxpayers who have underreported their sales, the District has indicated that beginning in 2011, business credit card receipts will be reported to OTR through the IRS, which will enable OTR to identify and select for audit, underreporters for 2011 and prior years.

Reed Smith will be hosting a teleseminar regarding the D.C. tax amnesty program, and will disseminate details regarding the teleseminar at a later date.

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For more information on District of Columbia tax amnesty, or D.C. tax issues in general, please contact one of the authors, or the Reed Smith attorney with whom you regularly work. For additional information on Reed Smith's State Tax practice, visit www.reedsmith.com/statetax. For more information on Reed Smith's Washington, D.C. State Tax practice, visit www.reedsmith.com/dctax.

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