

## Act Now – Before It Is Too Late! Wisconsin's Sales Tax Amnesty Program Ends September 30, 2010

Businesses have less than one week remaining to take advantage of Wisconsin's sales tax amnesty program. Under the amnesty program, businesses not currently registered to collect sales tax in Wisconsin must voluntarily register to collect and remit sales tax for at least three years in all 23 states that have adopted the Streamlined Sales and Use Tax Agreement.

A business registering under the program will not be liable for any sales tax on sales made prior to registration. Note, however, that the business will face increased administrative burdens and the program does not cover use tax liability.

Certain businesses are not eligible for the amnesty program, such as those registered to collect sales tax (either currently or at any time during the last 12 months) and those under audit.

In addition to the Wisconsin amnesty program, the Reinhart State and Local Tax Team can assist you in gaining amnesty through the following programs (some of which are only available through September 30):

### **Florida** - Tax Amnesty Days:

- Runs from July 1, 2010 to September 30, 2010
- Covers all state tax liabilities due before July 1, 2010
- Participants are eligible for waiver of penalties and either 1/2 or 1/4 of interest, depending on whether the participant has already received a bill, audit or assessment

### **Illinois** - Tax Amnesty Program:

- Runs from October 1, 2010 to November 8, 2010
- Covers state tax liabilities for any period after June 30, 2002 and before July 1, 2009
- Participants obtain abatement of all interest and penalties and a bar against civil or criminal prosecution
- If taxpayer fails to report and pay eligible tax liabilities under this program, taxpayer is subject to doubling of interest and penalties

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**Kansas** - Tax Amnesty Program:

- Runs from September 1, 2010 to October 15, 2010
- Covers taxes due for periods prior to December 31, 2008
- Participants are relieved of interest and penalties

**Maine** - 2010 Tax Receivables Reduction Initiative:

- Runs from September 1, 2010 to November 30, 2010
- Under the short-term initiative, participants are entitled to abatement of 95% of penalties due on taxes assessed as of December 31, 2009
- Under the long-term initiative, participants are entitled to abatement of 95% of penalties and interest due on taxes assessed as of June 30, 2005

**Michigan** - Tax Amnesty Bill:

- House of Representatives passed bill that would create an amnesty period beginning May 15, 2011 and ending June 30, 2011
- Participants would be able to obtain waiver of all criminal and civil penalties on taxes. The amnesty would not apply to taxes due after 2009.

**Minnesota** - Amnesty Program:

- Runs from July 1, 2010 to October 29, 2010
- Participants who disclose participation in offshore accounts and foreign entities will have penalties waived

**Nevada** - 2010 Tax Amnesty Program:

- Runs from July 1, 2010 to September 30, 2010
- Applies to most state taxes due prior to July 1, 2010 provided no compromise or settlement agreement exists
- Program provides participants with a one-time waiver of penalty and interest due provided the tax liability is paid in full during the amnesty period

**New Mexico** - Tax Relief Program:

- Runs from June 7, 2010 to September 30, 2010
- Program covers individual and business taxes that were unreported or underreported and due before January 1, 2010
- Participants will not be assessed penalties and, provided tax is paid within 180 days of being disclosed, interest

**Washington DC** - Tax Amnesty Program:



- Program runs from August 2, 2010 to September 30, 2010
- Program covers unpaid tax obligations relating to returns with a due date prior to December 31, 2009
- Program provides participants with a waiver of penalties and fees

A number of states, including Wisconsin, also have voluntary disclosure programs, which may not require immediate action but should be considered in evaluating the best strategy to address and resolve potential state tax liabilities. For example, in Wisconsin, taxpayers may (at any time) request voluntary disclosure treatment, which requires a business to pay tax, interest, and late filing fees for the prior four-year period in exchange for the benefit of restricting liability for sales and use taxes and penalties.

If you have concerns over your tax liability in any state or have any questions regarding tax amnesty programs and voluntary disclosure programs, feel free to contact your Reinhart attorney or any member of the Reinhart State and Local Tax Team."

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