

TEXAS COMPTROLLER ANNOUNCES TAX AMNESTY PROGRAM FROM MAY 1, 2018 THROUGH JUNE 29, 2018

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Certain Texas taxpayers with undisclosed liabilities will soon have another option to come clean with the Texas Comptroller's office. The Comptroller's office recently announced that it will provide a tax amnesty program from May 1, 2018 through June 29, 2018. Although few program specifics have been released, the Comptroller's office has indicated that the program will offer interest and penalty relief with respect to certain liabilities. Based on informal comments from the Comptroller's staff, it seems that the program will apply to many of the taxes administered by the Comptroller, including the Texas sales and franchise taxes. However, the Comptroller has already indicated that the program is not available for periods under audit, taxpayer liabilities the Comptroller has already identified, IFTA taxes, PUC gross receipts assessments, local motor vehicle tax, and unclaimed property payments.

Senate Bill 1, enacted by the Texas Legislature in 2017, required the Comptroller to establish the amnesty program "to encourage a voluntary reporting by delinquent taxpayers who do not hold a permit, or are otherwise not registered for a tax or fee administered by the Comptroller, or those permitted taxpayers that may have underreported or owe additional taxes or fees."

Taxpayers interested in participating in the program should carefully examine their facts and past liabilities and should weigh the pros and cons of the amnesty program against other alternatives, such as a voluntary disclosure agreement with the Comptroller. Currently available to certain taxpayers wishing to disclose and pay past liabilities, a voluntary disclosure agreement also offers benefits, such as interest and penalty waivers and limited lookback periods. The Comptroller has not yet indicated how the amnesty program qualification requirements and/or benefits will differ from a voluntary disclosure, but taxpayers concerned about receiving an audit notice, or otherwise becoming ineligible to participate in the amnesty program, prior to the program's May 1 start date should carefully consider a voluntary disclosure agreement.

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