

Addendum to the 2009 Virginia Tax Amnesty Guidelines

October 29, 2009

On September 28, 2009, the Virginia Department of Taxation issued guidelines for the 2009 Virginia Tax Amnesty program (Public Document 09-140). These guidelines contained information regarding the 20 percent post-Amnesty penalty, as well as described certain situations in which the penalty would not apply. It has become clear, however, that further clarification of these situations is required. Therefore, Section VI, numbers 6 and 7 are amended as follows:

6. Any assessment generated from a field audit of a business for an amnesty eligible period, provided that the audit is TAX's first audit of the taxpayer, no penalty has been applied to the tax deficiency, any uncontested liability is paid within 30 days from the date of assessment, and payment for any contested liability remaining upon resolution of an appeal under *Va. Code* §§ 58.1-1821 or 58.1-1825 is paid within 30 days from the date of the Tax Commissioner's or the court's final determination.
7. Any assessment generated from a field audit of a business for an amnesty eligible period in cases where the audit is a second or subsequent audit of the taxpayer, provided that the Compliance Ratio is greater than 85 percent for sales tax and greater than 60 percent for use tax, no penalty has been applied to the tax deficiency, any uncontested liability is paid within 30 days from the date of assessment, and payment for any contested liability remaining upon resolution of an appeal under *Va. Code* §§ 58.1-1821 or 58.1-1825 is paid within 30 days from the date of the Tax Commissioner's or the court's final determination.

In addition, Section VI is clarified with the addition of the following items to which the 20 percent penalty will not be applied:

9. Any amnesty eligible bill that is being appealed under *Va. Code* § 58.1-1825 during the amnesty period, provided the taxpayer pays the liability as determined by the circuit court or, if there is an appeal therefrom, the Supreme Court, within 30 days of the date of entry of the final order making that determination. If the taxpayer fails to satisfy the remaining liability within the 30 day period, the 20 percent penalty will be applied.
10. Any assessment generated from an audit or examination of a business or individual performed by TAX that does not require a visit to the residence or business for an amnesty eligible period, provided that no penalty has been applied to the tax deficiency, any uncontested liability is paid within 30 days from the date of assessment, and payment for any contested liability remaining upon resolution of an appeal under *Va. Code* §§ 58.1-1821 or 58.1-1825 is paid within

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30 days from the date of the Tax Commissioner's or the court's final determination.

Approved:

A handwritten signature in black ink, appearing to be 'Janie E. Bowen', written over a light gray rectangular background.

Janie E. Bowen
Tax Commissioner