

APRIL 2017 ■ NO. 1

State Tax

Pennsylvania Tax Amnesty Begins This Week

Action Item: Pennsylvania’s tax amnesty program begins this week and runs through June 19, 2017. Significant penalty and interest relief is available to all who participate, and taxpayers not known to the taxing authority can avoid all taxes, penalties, and interest for tax periods prior to 2010.

Pennsylvania’s tax amnesty program will begin on April 21 and will run through June 19, 2017. We have reported the details of this program in prior [tax alerts](#). In summary, eligible taxpayers can come forward and pay their delinquent taxes plus half the interest on those taxes, and the other half of the interest and all penalties will be abated. For taxpayers the Revenue Department does not know about, there is also a limited look-back period.

The Revenue Department has retained a private firm, Pioneer Credit Recovery, to manage the amnesty program. Starting this week, approximately one million letters are expected to be sent to eligible taxpayers, inviting them to participate in the amnesty program. A taxpayer wishing to participate will log on to the Amnesty website and view the delinquencies for which amnesty

is being offered. If additional liabilities unknown to the Revenue Department are owed, the taxpayer will need to register and complete an online amnesty return which includes a line item summary of the tax owed for each amended or newly-reported period, calculate the applicable interest, and remit payment no later than June 19, 2017.

The Revenue Department’s separate Voluntary Disclosure Program (“VDP”) is expected to continue in operation during the amnesty period. For taxpayers with liabilities the Revenue Department does not know about, there may be circumstances where participating in the VDP offers a better net dollar result than participating in the amnesty program. Taxpayers should consult their tax advisors before proceeding.

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