

New Jersey Announces Amnesty-like, “Tax Offer” Program Available Through November 17, 2014

September 26, 2014

Overview

The New Jersey Division of Taxation (“Division”) has recently announced a program applicable to tax periods 2005 through 2013 to enable participating individuals and businesses to settle unpaid tax liabilities.¹ Although the announcement did not refer to this program as an amnesty, participating taxpayers will be allowed to satisfy outstanding tax obligations without incurring collection costs or recovery fees. Applicable penalties will be reduced or eliminated, with the exception of the 5% non-participation penalty imposed on taxes due on and after January 1, 2002 and before February 1, 2009.² Interest will not be waived and will be calculated on the tax and any reduced penalties. The program will run until November 17, 2014.

To participate, taxpayers must request and enter into a closing agreement with the Division and remit the outstanding balance due by November 17, 2014. Participating taxpayers will waive their right to any further administrative review or judicial appeal. For taxpayers with outstanding tax liabilities who do not participate and fulfill their tax obligations by November 17, all penalties, interest, and cost of collections and/or recovery fees will remain due.

Considerations

Taxpayer wishing to participate in this program should begin to assemble the necessary information. The Division has sent letters to some taxpayers with a Schedule of Liabilities due that may be satisfied under the program. Such taxpayers should consider this opportunity to resolve outstanding tax obligations. Taxpayers who have not received a letter but have unpaid tax obligations should consider contacting the Division to learn whether they may participate in the program.

Contacts

If you have questions regarding this program or other New Jersey tax matters, please contact either of the following Deloitte Tax professionals.

Norman Lobins
Director
Deloitte Tax LLP, Parsippany
nlobins@deloitte.com
(973) 602 5373

Jayesh Desai
Senior Manager
Deloitte Tax LLP, Parsippany
jaydesai@deloitte.com
(973) 602-6989

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¹ See, *New Jersey Tax Offer: Pay Back Taxes Now and Save Time and Money (Sept. 17, 2014)*. See also, <http://www.state.nj.us/treasury/taxation/fall2014.shtml>.

² The 5% penalty applies to taxpayers who failed to pay taxes that were eligible for payment under the amnesty adopted pursuant to P.L. 2009, c. 21 (A3819, Mar. 17, 2009). Under the current program, taxpayers will remain liable for this 5% penalty.

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