

State Tax Matters

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Amnesty:

Massachusetts: New Law Requires Establishment of Two-Month Amnesty Program that Includes Potential for 100% Penalty Waiver

H.B. 4001, signed by gov. 7/11/14. Effectively immediately, new law requires the Massachusetts Department of Revenue to establish a tax amnesty program within fiscal year 2015 during which all penalties that could be assessed must be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect for the failure of the taxpayer to:

URL: <https://malegislature.gov/Bills/188/House/H4001>

- Timely file any proper return for any tax type and for any tax period;
- File proper returns which report the full amount of the taxpayer’s liability for any tax type and for any tax period;
- Timely pay any tax liability; or
- Pay the proper amount of any required estimated payment toward a tax liability.

The new law provides that the waiver of a taxpayer’s liability under this amnesty program applies only if the taxpayer “files returns, makes payments as required by the commissioner or otherwise comes into compliance with the tax laws of the commonwealth as required by the commissioner pursuant to the tax amnesty program.” The new law also states that the scope of the amnesty program, “including the particular tax types and periods covered, including any limited look-back period for unfiled returns, shall be determined by the commissioner.” However, the law specifically requires that the commissioner include within the amnesty program’s scope, “but not be limited to,” the state sales and use tax, sales tax on telecommunications services, meals tax, meals tax local option, materialman sales tax, withholding income, performer withholding, pass-through entity withholding, lottery annuity withholding, room occupancy excise, room occupancy excise local option, and other various delineated transaction-type taxes including the deeds excise. Note that the new law does not expressly require the amnesty program to include the state personal income tax or the corporate excise tax; however, the new law does allow the commissioner to include *any* tax type at its own discretion.

The amnesty program must be established for two consecutive months within fiscal year 2015, “such period to expire not later than June 30, 2015, and all required payments shall be made on or before June 30, 2015, in order for the amnesty to apply.” The law notes that the commissioner may offer tax amnesty to those taxpayers who have either an unpaid self-assessed liability or who have been assessed a tax liability, whether before or after the filing of a return, which assessed liability remains unpaid. Additionally, “any taxpayer who utilizes the provisions of this tax amnesty program shall be

precluded from utilizing any future tax amnesty programs for the next consecutive ten years, beginning in calendar year 2015.”

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Archives: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax

Louisiana Amends Amnesty Program, Includes Nonparticipation Penalties

Louisiana Governor Bobby Jindal recently signed into law House Bill 663 (“H.B. 663,” effective August 1, 2014), amending certain provisions of the Louisiana Tax Delinquency Amnesty Act of 2013 (the “2013 Amnesty Act”). Among various other changes, H.B. 663:

- Establishes covered tax periods for 2014 and 2015;
- Amends the penalty and interest waiver provisions;
- Adds a double penalty provision applicable to certain nonparticipating taxpayers; and
- Creates an installment payment program.

H.B. 663 does not, however, change the tax types covered under the amnesty program (as specified under the 2013 Amnesty Act), which continues to apply to all taxes administered by the Louisiana Department of Revenue (“LADOR”), except motor fuel taxes. Also, the commencement date for the 2014 amnesty period, which under the 2013 Amnesty Act is to run for a one-month period between July 1, 2014, and December 31, 2014, has not yet been announced by the LADOR as of July 8, 2014.

This Multistate Tax Alert summarizes the amnesty law changes contained in H.B. 663.

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URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/4ae67cc870b17410VgnVCM3000003456f70aRCRD.htm?id=us:em:na:stm:eng:tax:071814

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