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## City of Los Angeles Tax Penalty Amnesty Program

The City of Los Angeles Office of Finance recently implemented a Tax Penalty Amnesty Program (the "Program") that allows businesses that have not registered with the Office of Finance, or that have unpaid taxes or underreported gross receipts, to avoid a penalty of up to 40% of the tax due for tax periods ending on or before July 31, 2009. Additionally, no criminal action will be brought against any taxpayer that participates in the Program. The Program began May 1, 2009, and will be available through July 31, 2009.

The following city taxes qualify for amnesty:

- Business Tax
- Telephone, Electricity and Gas Users Taxes
- Commercial Tenant's Occupancy Tax
- Transient Occupancy Tax
- Parking Occupancy Tax

In order to qualify for the Program, a taxpayer must file an application with the Office of Finance on or before July 31, 2009, and must comply with the following conditions:

1. File completed tax statements or returns for all periods and taxes for which the taxpayer has not previously filed, or file amended tax statements or returns for all periods for which the taxpayer underreported the taxes due;
2. Pay in full all taxes and interest due; and
3. Pay all costs and fees (excluding penalties) incurred and due with respect to the collection of any delinquent taxes.

To encourage participation in the Program, the Office of Finance announced that following the end of the amnesty period, it will vigorously pursue a range of enforcement actions, including the imposition of an additional 10% negligence penalty; expanded audit programs; whistleblower programs; referrals to outside collection and reporting agencies; and publication of taxpayer debt.

If you would like more information about the Program and how to apply, please contact a member of the Sheppard Mullin tax group.