

## **PA Tax Amnesty Exceeds Target by \$71 Million**

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On June 21st, Governor Rendell announced that Pennsylvania's first general tax amnesty program in 14 years brought in \$261 million, significantly exceeding its budgeted goal of \$190 million. The Department of Revenue expended considerable effort in contacting taxpayers with outstanding balances, urging them to participate. And, we saw much greater than usual flexibility from the Department in helping taxpayers under audit to conclude their audits in a manner permitting them to submit part or all of their audited liability through the amnesty program.

Now that the general amnesty is over (see article below for new escheat amnesty program), the Pennsylvania Department of Revenue is vowing to step up enforcement against those who did not take advantage of the amnesty program. According to Governor Rendell, "[t]he Department will more frequently garnish the wages of people who owe back taxes, hold more corporate officers personally accountable for taxes their businesses owe, issue more citations against businesses operating without sales tax licenses and publish all tax liens for public view." The amnesty legislation also provided an additional 5% penalty for those who did not participate.

We note that in the past the Department has assessed corporate officers without making a specific determination as to whether those officers were actually in control of tax reporting and payment – issues that we then successfully addressed on appeal. In addition, although the general amnesty program is over, the Department still will consider requests for collection compromises on liabilities which are beyond the formal appeal period. In the past, we have been able to negotiate compromises based both on inability to pay the full amount and on explanations of why the tax wasn't due in the first instance. Collections compromises may become a bit harder to obtain in the future, but we fully expect that the process will remain available in appropriate circumstances.

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