

SALT WATCH

Ohio Tax Amnesty Program to Begin on January 1, 2018

In June 2017 Governor John R. Kasich signed House Bill 49 into law. Among other provisions, the bill calls for a tax amnesty program to be conducted from January 1, 2018 to February 15, 2018.

The Ohio Department of Taxation (“ODT”) recently issued additional guidance on the program in the form of several different publications. Complete details of the amnesty can be found at <http://www.ohiotaxamnesty.gov/>. However, following is a summary of the program:

Taxes Covered

The amnesty program will cover the following taxes: individual income tax, individual school district income tax, employer withholding tax, employer withholding for school district income tax, pass-through entity tax, sales tax, use tax, commercial activity tax (CAT), financial institutions tax, cigarette or other tobacco products taxes and alcoholic beverage taxes.

Program Benefits

For eligible participants in the amnesty program, the ODT is authorized to waive all penalties and one-half interest on any taxes which are owed as a result of non-reporting or underreporting.

Program Requirements/Restrictions

The amnesty program will only be available to individuals and businesses with a tax liability that is unknown to the ODT (not currently assessed or under audit), and only for taxes that were due and payable as of May 1, 2017. Please note, there is no limitation to the lookback period of the amnesty.

How to Participate

In order to participate in the amnesty program, taxpayers must submit an amnesty application along with any applicable original or amended returns prior to February 15, 2018. In addition, payment in full must be submitted at the time of application.



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Commentary

It is important to note that while amnesty is available, Ohio's voluntary disclosure and participatory audit programs are also still good options for taxpayers. Because there is no limitation to the lookback period in the amnesty program, in many cases the voluntary disclosure or participatory audit programs may be more beneficial. Additionally, audits of previous periods do not disqualify a taxpayer from participation. Therefore, amnesty as well as the other above referenced programs should be considered for post-audit periods.

Action Items

Contact a member of the GBQ SALT team if you would like to hear more about the Ohio Tax Amnesty Program or explore other options for mitigation of prior period tax liabilities.

For more information, please contact:

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