

AN ALERT FROM THE BDO STATE AND LOCAL TAX PRACTICE

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### ► SUBJECT

## FLORIDA TAX AMNESTY

### ► SUMMARY

On April 30, 2010, the Florida Legislature passed House Bill 5801, authorizing the Department of Revenue to implement a tax amnesty program. This program is running from July 1 to September 30, 2010, and provides taxpayers with a one-time opportunity to report prior unpaid tax liabilities. Most Florida taxes are eligible and the state will agree to waive all penalties and a portion of interest associated with the unpaid tax. To participate, taxpayers are required to complete an application and pay taxes and interest due by September 30, 2010.

### ► APPLICABLE TIME PERIODS

Florida tax amnesty runs from July 1 to September 30, 2010.<sup>1</sup> It applies to taxes that were due prior to July 1, 2010.<sup>2</sup> An application must be filed and tax must generally be paid by September 30, 2010.

### ► APPLICABLE TAXES

All of the following Florida taxes are eligible for amnesty:

- Sales/use
- Communications service
- Corporate income and emergency excise
- Documentary stamp
- Fuel (including local option taxes)
- Estate
- Various local taxes<sup>3</sup>

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### CONTACT:

West:

**ROCKY CUMMINGS**, Tax Partner  
408-278-0220 / rcummings@bdo.com

**PAUL MCGOVERN**, Tax Director  
714-913-2592 / pmcgovern@bdo.com

Northeast:

**NICK NESI**, Tax Partner  
212-885-8420 / nnesi@bdo.com

Southeast:

**MARK SIEGEL**, Tax Senior Manager  
404-979-7188 / msiegel@bdo.com

Central:

**RICHARD SPENGLER**, Tax Senior Director  
616-776-3687 / rspengler@bdo.com

**NICK BOEGEL**, Tax Senior Manager  
414-615-6773 / nboegel@bdo.com

**JOE CARR**, Tax Partner  
312-616-3946 / jcarr@bdo.com

Southwest:

**GENE HEATLY**, Tax Senior Director  
214-665-0716 / gheatly@bdo.com

<sup>1</sup> Florida Rule 12ER10-03(2)(f).

<sup>2</sup> Florida Rule 12ER10-03(1)(a).

<sup>3</sup> Florida Rule 12ER10-03(2)(c).

## ► ELIGIBILITY REQUIREMENTS

In order to participate in the Florida amnesty program, participants must:

- Complete a Tax Amnesty Agreement;<sup>4</sup>
- Not be under criminal investigation, indictment, or prosecution regarding a Florida revenue law;<sup>5</sup> and
- Not be under a pretrial intervention or diversion program, probation, community control, or in a work camp, jail, state prison, or another correctional system related to a Florida revenue law.<sup>6</sup>

## ► PROGRAM BENEFITS

Taxpayers participating in the Florida amnesty program will have all penalties waived. A portion of interest will also be waived, depending on the facts and circumstances.<sup>7</sup>

### 50% Interest Waiver

Fifty percent of interest will be waived if the taxpayer is reporting tax liability the Department of Revenue has not identified pursuant to a bill, delinquency, audit, or any other assessment, filing a late return for a previously unknown tax liability, or responding to a letter of inquiry or a self-audit request.

### 25% Interest Waiver

Twenty-five percent of interest will be waived if the taxpayer is reporting tax liability already identified by the Department of Revenue pursuant to a bill, delinquency, audit, or any other assessment.

## ► APPLICATION PROCESS

Applicants can apply by submitting a Tax Amnesty Agreement on paper or online by September 30, 2010, and paying the tax and interest. If a taxpayer cannot pay all of the tax due by September 30, 2010, it must pay at least 12.5 percent by September 30, 2010, and pay the remaining balance in seven or fewer monthly payments.<sup>8</sup>

<sup>4</sup> Florida Rule 12ER10-03(3)(a).

<sup>5</sup> Florida Rule 12ER10-03(2)(b)(1).

<sup>6</sup> Florida Rule 12ER10-03(2)(b)(2).

<sup>7</sup> Florida Rule 12ER10-03(5)(b).

<sup>8</sup> Florida Rule 12ER10-03(6)(e).



To learn more about Florida Tax Amnesty contact:  
Mark N. Mercer, CPA  
mmercerc@lumsden CPA.com  
716-856-3300

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