

Free Pass for Taxes Owed to Pennsylvania?

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If you owe back taxes to Pennsylvania, you're in luck.

Starting April 21 and continuing to June 19, the [Pennsylvania Tax Amnesty Program](#) will waive all penalties and slash the interest rate on outstanding tax delinquencies that existed as of the end of 2015. Both the state and the Pennsylvania Department of Revenue are participating in the program created in [Act 84](#) of 2016.

The program includes the waiving of all penalties on delinquent taxes, as well as the waiving of all collection and lien fees. In addition, the state will collect all delinquent taxes, known and unknown, and one-half the interest due.

The program includes personal income tax, sales and use tax, gross receipts tax, corporate net income tax, inheritance or estate tax, and other state-administered taxes. To participate in the Amnesty Program, taxpayers must file an online Amnesty Return, file all delinquent tax returns and make the required payments within the amnesty period, according to the state. Some taxpayers claiming that a single payment would be a serious financial hardship may be allowed to make a payment for one-half of the amnesty total liability and pay the balance in two payments during the amnesty program.

Not only must delinquent taxpayers make the required payments during the amnesty period, they must continue to be compliant, otherwise the Department of Revenue may re-impose the original penalty and interest. How serious is the state about this program? Those eligible for the Amnesty Program who choose not to participate will be saddled with a 5-percent non-participation penalty on all eligible tax, penalty and interest.

Not everyone is eligible. Those who participated in the 2010 Tax Amnesty Program, taxpayers currently under criminal investigation for a violation of any tax law, and defendants in a pending criminal action for an alleged tax law violation cannot take advantage of the program. Taxpayers in bankruptcy, or who have previously received a discharge determination of Pennsylvania state tax liabilities also are not eligible for the program.

Taxpayers that owe delinquent back taxes likely will have received a written notice from the Department of Revenue about the program, or will receive one soon. If you think you may be eligible for the Tax Amnesty Program, preparation for filing tax returns and payment of unpaid tax liabilities should begin immediately. The [tax attorneys at Barley Snyder](#) can help guide you through this process.