

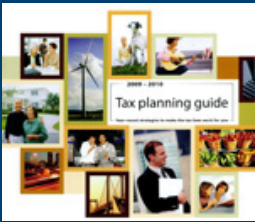
VIRGINIA TAX AMNESTY

October 2009

With prices up and the economy down, minimizing your tax burden is more important than ever. To save as much as possible, you will need to proactively look for ways to reduce your taxable income and take advantage of every tax break you are entitled to.

Keiter Stephens offers a Tax Planning Guide that is designed to assist you in reducing your personal and business tax liability.

[View our Tax Planning Guide](#)



Questions?

Our tax staff would be happy to answer your questions.

Contact:
Email:
information@kshgs.com

Phone:
804-747-0000
Richmond

434-220-2800
Charlottesville

In recent tax news, Virginia announced its latest round of tax amnesty programs, Get Square on Back Taxes, running from October 7 through December 5, 2009. The program offers taxpayers the opportunity to settle prior tax liabilities (reported and unreported) with the state and have 100% of penalties waived and pay only 50% of interest due on qualifying claims. The main drawback being that the program requires the taxpayer to pay 100% of the taxes and remaining interest due during the amnesty program. Additionally, the opportunity to negotiate with the state on settlement of prior tax liabilities will be lost if the taxpayer chooses the amnesty program.

Most eligible taxpayers have received or will receive a letter detailing the outstanding returns and taxes due. Usually these taxpayers have tax bills that are at least 90 days old. There are special circumstances that may also make a taxpayer eligible, such as audits, partial payment arrangements, and fraud investigations. The program's website, www.getsquareva.com, has a complete list of the rules/regulations and taxes eligible for the program.

Taxpayers eligible for the program, but failing to take advantage, may be required to pay a 20% penalty on top of all the taxes, penalties, and interest previously due. Of particular importance is the fact that the state was successful in assessing the additional 20% penalty during the last program despite appeals from taxpayers. In light of the aforementioned facts, it is necessary to weigh the benefits of paying the tax under the amnesty program versus continuing with an open appeal or installment plan.

Eligible taxpayers need to carefully consider the benefits and risks of the amnesty program against any current plans in place. At Keiter Stephens, our tax professionals have significant experience in working with the Department of Taxation on appeals, claims, notice resolutions, and other payment issues. Please contact our Richmond or Charlottesville offices should you have a need in this area.