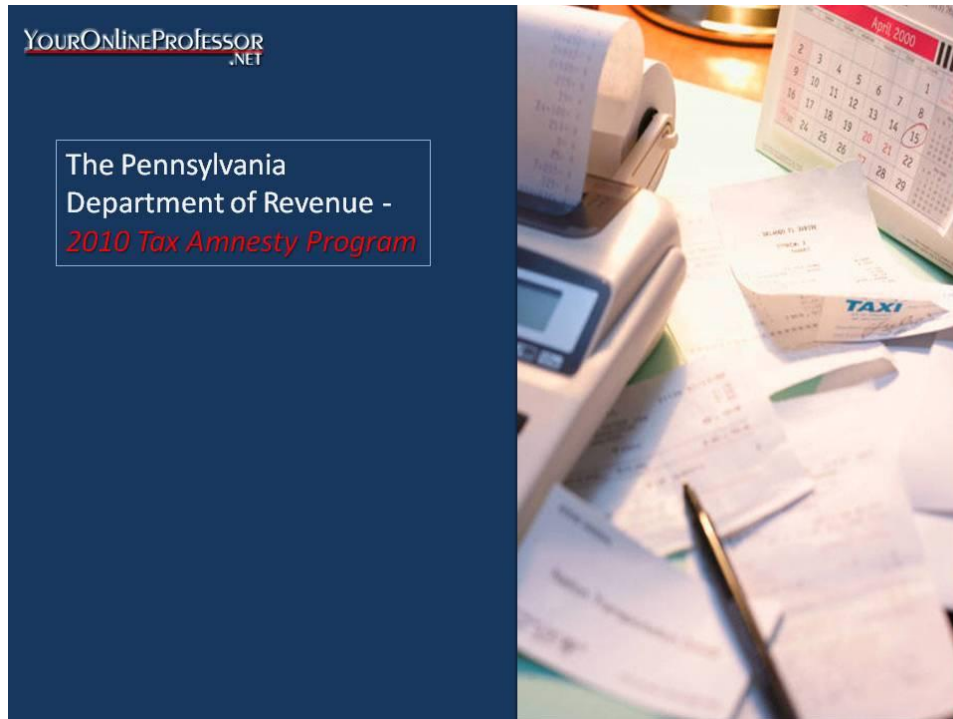
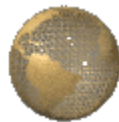


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A COURSE by Ted PERKINS
JD, LL.M., CPA



CPE CREDIT - 1.0 Hour
FIELD OF STUDY - Taxation - Non-Interactive Self Study
PROGRAM LEVEL - Basic
PREREQUISITE - None
ADVANCE PREPARATION REQUIRED - None



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Keep Growing & Learning

Course Summary

This course will provide an overview of the Pennsylvania Department of Revenue's 2010 Tax Amnesty Program, including information on eligibility, rules, and deadlines.

Your Instructor

Edward L. Perkins, BA, JD, LL.M (TAX), CPA

Course Content

The Practice Units are as follows:

Unit One - Overview

Unit Two - Taxes Covered and Eligibility

Unit Three - What To Do

Unit Four - The Amnesty Return

Learning Objective

This Course consists of four Practice Units and one Quizzer. You must view every Unit in full prior to moving forward, and upon the completion of the final Unit will be tested on the materials discussed therein.

Obtaining Course Credit

At the end of the main presentation, after you will have completed the Course Material, you will be given an opportunity to take the Quizzer. If your score is less than 70%, you may retake the Quizzer as many times as you like until you answer at least 70% of the Questions correctly. In order to receive your Certificate of Completion and your Credit, you must complete the Quizzer and answer 70% of the Questions correctly.

I. Overview of Program

A. Act 48 of 2009 established the Pennsylvania Tax Amnesty Program (the "Amnesty Program"). The Amnesty Program period begins April 26, 2010, and ends on June 18, 2010 (the "Amnesty Period"). All taxes owed to the Commonwealth administered by the Department of Revenue (Department) are eligible for Amnesty. Taxes, interest and penalties collected under the International Fuel Tax Agreement owed to other states or provinces are not eligible for amnesty. Eligible periods are those where a known or unknown delinquency exists as of June 30, 2009.

B. To participate, taxpayers will need to file an online Amnesty return, file all delinquent tax returns and make the required payment within the Amnesty Period. All penalties and one-half of the interest due will be waived.

C. Unpaid taxes, penalties and interest that result from periods subsequent to June 30, 2009, are not eligible for the Amnesty Program.

II. Definitions

The following words and terms have the following meanings, unless the context clearly indicates otherwise:

Amnesty Return—The online return to be filed by a taxpayer applying to participate in the Amnesty Program. The term includes all of the required tax returns, tax reports, accompanying schedules and other documentation required to be filed electronically or by paper in conjunction with the Amnesty Return.

Department—The Pennsylvania Department of Revenue

Delinquency—An unpaid tax, penalty or interest liability or a non-filed tax return or tax report.

Known liability—A delinquency known to the Department.

Unknown liability—A liability for an eligible tax for which either:

- No return or report has been filed, no payment has been made and the taxpayer has not been contacted by the Department concerning the unfiled returns or reports or unpaid tax; or

- A return or report has been filed, the tax was underreported and the taxpayer has not been contacted by the Department concerning the underreported tax.

III. Taxes Covered and Eligibility

A. *Whose Eligible* - Individuals, businesses and other entities with Pennsylvania tax delinquencies as of June 30, 2009, are generally eligible to participate in the Amnesty Program. Non-filed tax returns or reports, as well as unpaid, under-reported or un-established taxes, whether known or unknown to the Department, constitute eligible delinquencies.

B. *Types of Taxes Covered* - Types of taxes covered by the Amnesty Program include:

- Agriculture Cooperative Tax;
- Bank and Trust Company Shares Tax;
- Capital Stock or Foreign Franchise Tax;
- Cigarette Tax;
- Corporate Net Income Tax;
- Electric Cooperative Tax;
- Employer Withholding Tax;
- Fuel Use Tax, except taxes, interest and penalties collected under the International Fuel Tax Agreement owed to other states or provinces are not eligible for the Amnesty Program;
- Gross Premiums Tax;
- Hotel Occupancy Tax, including Local Hotel Occupancy Tax for Philadelphia and Allegheny County;
- International Fuel Tax Agreement (IFTA)
- Inheritance and Estate Tax;
- Interstate Bus Compact Tax;
- Liquid Fuels Tax;
- Loans Tax;

- Marine Underwriting Profits Tax;
- Malt Beverage Tax;
- Motor Carriers Road Tax;
- Motor Vehicle Carriers Gross Receipts Tax;
- Mutual Thrift Institutions Tax;
- Oil Company Franchise Tax;
- Parimutuel Wagering and Admissions Tax;
- Personal Income Tax;
- Public Utility Realty Tax;
- Realty Transfer Tax;
- Sales and Use Tax, including Local Sales and Use Tax for Philadelphia and Allegheny County;
- Surplus Lines Tax;
- Unauthorized Insurance Tax; and
- Gross Receipts Tax.

C. Taxes Not Covered.

1. The program does not apply to a tax imposed by a political subdivision of the Commonwealth, except for Local Sales and Use and Hotel Occupancy Taxes for Philadelphia and Allegheny County.

2. Also, the program does not apply to any tax administered by another state or the Federal government/Internal Revenue Service.

D. Businesses and Individuals Not Eligible - To participate in the Amnesty Program a business or individual may not:

1. Currently be under criminal investigation for an alleged violation of any tax law; or

2. Prior to the Amnesty Period, have been named as a defendant in a criminal complaint alleging a violation of any law imposing a tax administered by the Department; or

3. Be a defendant in a pending criminal action for an alleged violation of any law imposing an eligible tax.

E. Participation Conditioned On.

1. A taxpayer's participation in the Amnesty Program is conditioned upon the taxpayer's agreement that the right to protest or pursue an administrative or judicial proceeding with regard to tax amnesty returns filed under the Amnesty Program or to claim any refund of money paid under the Amnesty Program is barred.

2. A taxpayer with active administrative or judicial appeals is eligible to participate in the Amnesty Program.

a. The tax and one-half of interest due must be paid in full during the Amnesty Period.

b. The taxpayer must withdraw active administrative or judicial appeals relating to periods accepted into the Amnesty Program.

IV. What to Do? - A participating taxpayer in the Amnesty Program must do each of the following during the Amnesty period:

A. File an online Amnesty Return with the Department;

B. Make payment of all taxes and one-half of the interest due to the Commonwealth in accordance with the Amnesty Return that is filed;

C. File complete tax returns for all required tax periods for which the taxpayer previously has not filed a tax return; and

D. File complete amended returns for all required periods for which the taxpayer underreported tax liability.

V. The Amnesty Return

A. Notification of Amnesty Program

1. For each tax delinquent, the Department will send a written notice to the last known address on the Department's records.

2. This notice will contain important information for the recipients to participate in the Amnesty Program.

3. A taxpayer, who has delinquencies for multiple tax types, may receive more than one notification.

4. After receiving notice from the Department that an eligible delinquency exists, a taxpayer is required to log on to the Department's Amnesty web site.

5. Using the Amnesty notice and tax account information, the taxpayer will be able to view information on the Department's web site.

B. The Amnesty Return

1. An online Amnesty Return must be filed by each taxpayer seeking to participate in the Amnesty Program.

2. This is done at the Pennsylvania Department of Revenue web – site at www.PATaxPayUp.com

C. Unknown Liabilities

If additional liabilities unknown to the Department are owed by a taxpayer, the taxpayer will need to register and complete an online Amnesty Return which includes a line item summarizing tax owed for each newly-reported or amended period, calculate the applicable interest, and remit payment of the balance due reflected on the Amnesty Return no later than the last day of the Amnesty Period.

D. Businesses Not Previously Registered

1. Businesses not previously not registered with the Department should begin the registration process to obtain Pennsylvania tax account numbers (PA-100 or apply with the Department of State) by the conclusion of the Amnesty Period.

2. This timely action on the taxpayer's part will assist the Department in reconciling a taxpayer's Amnesty Return and payment information with tax returns filed separately.

3. The lack of an account number(s) does not extend the time allotted to file the Amnesty Return and remit payment nor will the failure to obtain the registration number(s) prevent a taxpayer from participating in the Amnesty Program.

VI. Tax Return Filing

A. Along with the payment for all taxes and one-half of the interest, all missing tax returns or reports must be filed electronically or on paper no later than June 18, 2010.

B. A taxpayer with unknown liabilities reported and paid during the Amnesty Period to the Department and who complies with all other requirements, is not liable for any taxes of the same type due prior to July 1, 2004.

C. A taxpayer applying to participate in the Amnesty Program with non-filed tax reports should file simple Personal Income Tax, Sales and Use Tax and Employer Withholding Returns electronically.

1. A "Simple" Personal Income Tax return is one which only includes compensation (wages), interest and dividends.

2. Applicable forms should be obtained from the Department's web site and submitted to the Amnesty Program mailing address for all other Personal Income Tax returns, Corporation Tax Reports, including Capital Stock/Franchise and Corporate Net Income Tax reports, and all other taxes.

VII. Payments

A. *Disclosure –*

1. A participating taxpayer must disclose and pay all delinquent taxes and 50% of the applicable interest.

2. Payment for the entire liability and filing of all delinquent tax returns must not be received prior to the beginning of the Amnesty Period or after the close of the Amnesty Program.

3. Payment is considered timely if received electronically or postmarked on or before June 18, 2010.

B. *Abatements –*

1. Abatements of 50% of interest and all penalties only applies to tax returns due for eligible tax periods prior to June 30, 2009.

2. However, all tax returns and payments due after June 30, 2009, must still be filed and the tax paid for a taxpayer to retain his/her eligibility.

C. *Payment Due Date.*

1. Payment of all taxes and interest eligible for the Amnesty Program must be received by the last day of the Amnesty Period, June 18, 2010.

2. A taxpayer will be requested to make payment electronically when filing an Amnesty return online.

3. Electronic payments may be made using ACH Debit, ACH Credit or credit card. Other acceptable methods of payment include certified check, money order or cash.

D. *Minimum Payment.*

1. To be eligible for the benefits of the Amnesty Program, the payment of 50% of the interest due must be paid during the Amnesty Period.

2. Pre-payment of half of the interest prior to the beginning of amnesty to maximize the benefits of tax amnesty will not meet the statutory requirements of Act 48.

E. *Hardship* - Any taxpayer who claims making a single payment would be a serious financial hardship will be allowed to make a payment of half of the amnesty total liability and pay the balance in two payments on or before the conclusion of the Amnesty Program.

F. *Pre- Amnesty Payments* - Payments on interest and penalties made prior to the Amnesty Period (before April 26, 2010) are not eligible for Tax Amnesty.

VIII. Extensions of Time for Filing Requirements

There is no extension for the filing of missing tax returns and reports eligible for the Amnesty Program. All returns and reports are due by the last day of the Amnesty Period, June 18, 2010.

IX. Deferred Payment Plans

A. *Deferred Payment Plan Eligibility.*

1. Taxpayers who enter into duly approved and executed deferred payment plans with the Department are eligible to participate in the Amnesty Program.

2. However, they are limited to the relief from penalty and half of the interest that remains on their payment plan balance as of the date of final tax payment and they must complete payment of the entire delinquency by the close of the Amnesty Period.

3. The relief will not be based on their original balances of tax, penalty and interest at commencement of the payment plan.

B. Taxpayers who choose to continue making payments according to an authorized payment plan, but do not complete the plan on or prior to the end of the Amnesty Period, are not eligible to participate in the Amnesty Program; however, and any abatement, but they will not be subjected to the 5% non-participation post-amnesty penalty.

X. Continued Compliance

The Department may re-impose all penalty and interest abated during the Amnesty Period if either of the following occurs within 2 years of the conclusion of the Amnesty Period:

- The taxpayer becomes delinquent for three consecutive periods for semi-monthly, monthly or quarterly filing or payment unless the taxpayer has timely filed administrative or judicial appeals for the tax delinquency; or
- The taxpayer becomes delinquent for more than 8 months on any filing of reports and or payments due on an annual basis unless the taxpayer has timely filed administrative or judicial appeals for the tax delinquency.

XI. Future Amnesty Participation

In the event an Amnesty Program is held in the future, a taxpayer participating in the Amnesty Program will be prohibited from participating in future Amnesty Programs.

XII. Post Amnesty Enforcement

A. *5% Penalty* - At the conclusion of the Amnesty Period, a 5% non-participation penalty will be imposed on all un-paid tax, penalty and interest not paid in full during the Amnesty Period. Existing deferred payment plans, active appeals and entities in bankruptcy will not be assessed the additional 5% non-participation penalty.

B. *Audits* - The Department may audit or investigate tax delinquencies reported and/or paid during the Amnesty Program. Any additional taxes assessed by the Department are subject to normal provisions pertaining to imposition of interest and penalties.

Last eligible periods for Amnesty Program

Types administered by Tax	Tax System	Periods eligible for Amnesty
Agriculture Cooperative Tax **	CT	1/1/08 to 12/31/08 Due 4/15/09
Bank and Trust Company Shares Tax	CT	1/2/08 to 1/1/09 Due 3/16/09
Capital Stock or Foreign Franchise Tax **	CT	1/1/08 to 12/31/08 Due 4/15/09
Cigarette Tax		4/6/2004 and 10/15/2002
Corporate Net Income Tax **	CT	1/1/08 to 12/31/08 Due 4/15/09
Electric Cooperative Tax	CT	1/1/07 to 12/31/07 Due 7/1/08
Employer Withholding Tax	KITS	01Q09 (P/E 04/30/2009)
Fuel Use Tax		May 2009
Gross Premiums Tax	CT	1/1/08 to 12/31/08 Due 4/15/09
Hotel Occupancy Tax, including Local Hotel Occupancy Tax for Philadelphia and Allegheny County ***	KITS	05M09 (P/E 05/31/2009) 01Q09 (P/E 03/31/2009) SA22008 (P/E 12/31/2008)
Inheritance and Estate Tax	IT	Death of decedent 09/29/08 and prior
IFTA	IMS	1Q09
Interstate Bus Compact Tax		Any delinquent periods
Liquid Fuels Tax		May 2009
Corporate Loans Tax **	CT	1/1/08 to 12/31/08 Due 4/15/09
Marine Underwriting Profits Tax	CT	1/1/08 to 12/31/08 Due 6/1/09
Malt Beverage Tax		May 2009
Motor Carriers Road Tax		1Q09
Motor Vehicle Carriers Gross Receipts Tax	CT	Repealed 1/1/98
Mutual Thrift Institutions Tax **	CT	1/1/08 to 12/31/08 Due 4/15/09
Oil Company Franchise Tax		May 2009
Parimutuel Wagering and Admissions Tax		
Personal Income Tax	PIT	Returns up to and including tax year 2008
Public Utility Realty Tax	CT	1/1/08 to 12/31/08 Due 5/1/09
Realty Transfer Tax		1955 (oldest case) to 06/30/09
Sales and Use Tax, including Local Sales and Use Tax for Philadelphia and Allegheny County ***	KITS	05M09 (P/E 05/31/2009) 01Q09 (P/E 03/31/2009) SA22008 (P/E 12/31/2008)
Surplus Lines Tax	CT	1/1/08 to 12/31/08 Due 1/31/09
Unauthorized Insurance Tax (monthly)	CT	May 09 Due 6/30/09
Financial Institutions Shares and Loans Tax	CT	1/1/08 to 12/31/08 Due 3/16/09
Utilities Gross Receipts Tax	CT	1/1/08 to 12/31/08 Due 3/16/09
Public Transportation Assistance (PTA) ****	N/A	01Q09 (P/E 03/31/2009)
Vehicle Rental Tax (VRT) ****	N/A	01Q09 (P/E 03/31/2009)

- * * Taxpayer may also be a fiscal filer. Last period eligible 3/1/08 to 2/28/09, Due 6/15/09.
- * * * Sales and Use Tax audit assessments are 30 days from the notice date in R802. (Notice table.)
- * * * * PTA and VRT audit assessments will be slightly different. There is a mail date field in the database that must be = < May 29, 2009.

Commonwealth of Pennsylvania Tax Amnesty Return (EXAMPLE)

PART I - PLEASE COMPLETE ALL FIELDS

NAME (Last, First, MI)	SOCIAL SECURITY NUMBER			
SPOUSE'S NAME (Last, First, MI)	SOCIAL SECURITY NUMBER			
BUSINESS NAME, IF APPLICABLE	ENTITY ID (Federal Employer Identification Number, SSN, Or a 9-digit DOR assigned number)			
MAILING ADDRESS (Number, Street, Unit)	NAICS Code (for businesses)			
CITY	COUNTY	STATE	ZIP CODE	EMAIL

PART II - TAX PERIODS FOR WHICH AMNESTY IS REQUESTED

Account #	Tax Type	Tax Period Beginning	Tax Period Ending	Action Required	Tax Due	Interest	Penalty	Fees	Total	Taxpayer Action
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TOTALS

PART III - OATH & SIGNATURE(S)

I, the undersigned, as an individual, officer or owner, affirm that I am, or the business entity is eligible for participation in the Tax Amnesty Program and certify, under penalties prescribed by law that this return and the forthcoming documents are true, correct and complete to the best of my knowledge. I further certify that all PA state tax reports, tax returns required to be filed as of June 30, 2009 have been filed. Furthermore, I consent to having the Pennsylvania Department of Revenue conduct an electronic funds transfer from my bank account to satisfy all liabilities.

YOUR SIGNATURE (electronic)	DATE	DAYTIME PHONE NUMBER
SPOUSE'S SIGNATURE (electronic)	DATE	DAYTIME PHONE NUMBER
PREPARER'S SIGNATURE	DATE	DAYTIME PHONE NUMBER

CPE Quizzer

Congratulations – you have finished reviewing our Course Material for the "Pennsylvania Department of Revenue's 2010 Tax Amnesty Program."

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