

Voluntary Disclosure Program

Utah State Tax Commission

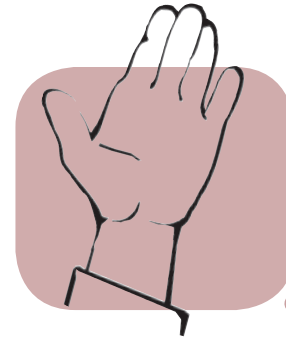
Auditing Division

210 North 1950 West

Salt Lake City, Utah 84134

801-297-4600

www.tax.utah.gov



If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at 801-297-3811, or TDD 801-297-2020. Please allow three working days for a response.

General Information

The Utah State Tax Commission's Voluntary Disclosure Program is designed to help businesses and individuals voluntarily resolve prior business tax liabilities. If a business has established a direct representational presence within Utah, this presence gives Utah the right to require the entity to pay or collect and remit certain taxes. Companies may anonymously approach the Voluntary Disclosure Program staff to seek resolution of these liabilities arising from past activities. Generally, companies will benefit from the voluntary disclosure process by not having penalties imposed and by receiving a limited look-back period. An outline of the process, including the requirements and governing policies, is presented below.

5. Disclosure as to whether the company has collected or withheld tax.
6. A statement indicating whether the Utah State Tax Commission or the Multistate Tax Commission has contacted the company, and the nature of the contacts.
7. The voluntary disclosure agreement terms proposed by the company.

Company representatives may preserve confidentiality by not revealing the name of the company or any information that could readily identify the company to the Voluntary Disclosure Program staff until the agreement is finalized.

Voluntary Disclosure Process

Initial Taxpayer Contact

Companies wishing to enter into or simply wanting to know more about Utah's Voluntary Disclosure Program may contact the program staff on an anonymous basis. When requesting an agreement to resolve prior tax liabilities, the following information will be required in writing:

1. A description of the company's activities to include the following:
 - a. Number of years doing business in Utah.
 - b. A list of the type of property owned and/or leased in Utah.
 - c. Description of equipment leased for use in Utah.
 - d. Number and length of time representatives acting on your behalf or employees have been in Utah.
 - e. How Utah business is solicited.
2. The type of tax being offered and a statement as to why the company is not offering other tax types.
3. A declaration of estimated tax liability for the disclosure period, by tax type.
4. A declaration of the estimated tax liability for periods prior to the disclosure period, by tax type.

Voluntary Disclosure Offer

After the Voluntary Disclosure Program staff has received the company's offer to enter into a voluntary disclosure agreement, the facts and circumstances will be reviewed.

The length of the disclosure period (the period of time the company will be required to pay back taxes) depends on the nature of the company's activities in Utah. Generally, the disclosure period is three years if the company has a clear presence in Utah. In certain circumstances where the company's presence is limited, the Tax Commission may enter into an agreement for a period of less than three years or for prospective compliance. If tax has been collected from customers or withheld from employees and the company has not remitted the tax, the Tax Commission will require all of the tax collected or withheld to be remitted. Interest on prior tax liabilities is included in the calculation of amounts due under the voluntary disclosure agreement.

Executing The Agreement

If the Voluntary Disclosure Program staff recommends acceptance of an offer, an official agreement will be prepared for final approval and authorizing signatures. Please note, an offer can be denied at this stage. If there are any material misrepresentations in information received in support of the agreement, the Utah State Tax Commission may consider the agreement void and assess additional tax, penalty and interest.

When the Utah State Tax Commission has approved the agreement, it will be forwarded to the company's representative. The company will have 30 days to execute the agreement and provide the requested information, registration, returns and schedules. If an offer is denied, a letter will be sent to the company's representative. The company will remain anonymous throughout the process until the agreement is signed.

Once the agreement has been signed and an assessment has been issued, the company will have 30 days to pay the assessment. If payment is not received within 30 days, a penalty for failure to pay the tax will automatically be imposed and interest will continue to accrue.

Contact Information

You can contact the Voluntary Disclosure Program staff at:

Auditing Division
Voluntary Disclosure Program
Utah State Tax Commission
210 North 1950 West
Salt Lake City, UT 84134-2200
Phone: 801-297-4600
Fax: 801-297-4799
E-mail: nexus@utah.gov
Internet: tax.utah.gov

For voluntary disclosures involving more than one state you may contact the Multistate Tax Commission's National Nexus Program for a streamlined, multi-state disclosure process at:

Director, National Nexus Program
Multistate Tax Commission
444 North Capital Street, NW, Suite 425
Washington, DC 20001-1538
Phone: 202-695-8140
E-mail: nexus@mtc.gov
Internet: mtc.gov