

## **Pennsylvania 2017 Tax Amnesty Program Period is Fast Approaching**

**By Michael F. Merlie**

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The Pennsylvania Department of Revenue has again established the Pennsylvania Tax Amnesty Program (the “Amnesty Program”). The period for the Amnesty Program begins on April 21, 2017 and ends on June 19, 2017 (the “Amnesty Period”).

Both businesses and individuals with outstanding tax liabilities to the Commonwealth of Pennsylvania, whether reported or not, should strongly consider participation in the Amnesty Program. The last such program was in 2010 and the savings can be significant depending on the circumstances.

Individuals, businesses and other entities with Pennsylvania tax delinquencies as of December 31, 2015, are generally eligible to participate in the Amnesty Program. Eligible delinquencies are all taxes owed to the Commonwealth of Pennsylvania and administered by the Department of Revenue and include those resulting from tax returns that were not filed and under reported taxes.

In order to participate in the Amnesty Program, the taxpayer must do each of the following during the Amnesty Period:

1. File an online amnesty tax return.
2. Make payment of all taxes and one-half of the interest due in accordance with the amnesty return.
3. File complete (or amended) tax returns for all required tax periods for which the taxpayer has previously not filed a tax return or under reported taxes due.
4. File all outstanding returns for tax periods not eligible for the Amnesty Program.

A taxpayer participating in the Amnesty Program must pay all delinquent taxes and one-half of the applicable interest. All other penalties and interest are waived.

There are no available extensions for the filing of missing tax returns eligible under the Amnesty Program. All returns must be filed, and payments made, by June 19, 2017. Payments are considered timely if received electronically or post marked on or before June 19, 2017.

If a delinquent taxpayer does not participate in the Amnesty Program, a five percent (5%) non-participation penalty will be imposed on any eligible tax, penalty and interest unpaid during the Amnesty Period.

If a participating taxpayer becomes delinquent in payment of any taxes that are due or in the filing of any required returns within two years after the end of the Amnesty Program, the Department of Revenue may assess and collect all penalties and interest waived through the Amnesty Program.

#### **About Michael F. Merlie**

Michael F. Merlie concentrates his practice in the areas of finance, secured transactions (including creditors' rights) mergers, acquisitions, admiralty/maritime law, real estate law, and startup businesses. He has represented institutional, corporate, and entrepreneurial clients in a wide variety of business matters. His experience includes negotiating and documenting mergers, acquisitions, and real estate transactions. He has also represented institutional lenders in negotiating and documenting financing transactions and has developed a particular expertise in maritime financing. Mike also assists entrepreneurs in all phases of start-up organizations.

Mike is also experienced in commercial litigation and bankruptcy matters with reported decisions in both the District Court and the Bankruptcy Court of the Eastern District of Pennsylvania.

Prior to his legal career, Mike was a certified public accountant with a Big Five accounting firm in Philadelphia. He graduated from Villanova University and the Villanova University School of Law where he was a member of the Villanova Law Review.

Mike is a member of the American and Pennsylvania Bar Associations, and The Maritime Law Association of the United States. He is admitted to the Supreme Court of the United States. He is admitted to practice in Pennsylvania and New Jersey. Mike is also admitted to the Supreme Court of the United States.

Mike has served on various nonprofit boards, and currently serves on the advisory board of Archbishop John Carroll High School.

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#### **About Gawthrop Greenwood**

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