



BDO Seidman, LLP
Accountants and Consultants

SALT Alert

Indiana Tax Amnesty

State Tax Alert

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Indiana is offering an amnesty program for tax periods ending before July 1, 2004 for most taxes administered by the Indiana Department of Revenue. Taxpayers must submit the required documentation and payment between September 15 and November 15, 2005.

The amnesty program is open to all taxpayers with an outstanding tax obligation who have either failed to file tax returns or under-reported their tax liability. Participants in the amnesty program will have all interest, penalties and collection fees waived upon completion of an amnesty agreement and payment of outstanding tax liabilities.

Indiana is also imposing double interest and penalties for all taxpayers who have amnesty-eligible liabilities but do not participate in the amnesty program.

While payment in full of outstanding tax liabilities is expected by the close of Amnesty on November 15, 2005, Indiana is allowing taxpayers to request a payment plan providing for a down payment and monthly payments through June 15, 2006.

Certain taxpayers may also have the option of participating in Indiana's voluntary disclosure program if they have not registered for a particular tax and have not been contacted by the state regarding that tax. The voluntary disclosure program requires the taxpayer to pay the tax liability for the previous three years and agree to file and pay on a going forward basis. Participation in voluntary disclosure program abates penalties but not interest. Eligible taxpayers with old liabilities may benefit from the limited look-back period even though interest applies.

Taxes not eligible for the amnesty program include the inheritance tax, estate tax, generation-skipping tax, property taxes and unemployment taxes.

FOR MORE INFORMATION ON PROGRAM GUIDELINES AND PROCEDURES, PLEASE CONTACT:
Mike Gamboa, (312) 856-9100
Shawn Kane, (312) 856-9100
David Barrons, (616) 776-3770
Jack Frame, (212) 885-8125

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