

Missouri Legislature Approves Short-Term Tax Amnesty

By Harry Charles, LLM (Tax), CPA, EA, CFE, and Arthur M. Seltzer, CPA

During its 2015 session, the Missouri General Assembly enacted a tax amnesty, House Bill No. 384, which was signed by Gov. Nixon, and adds RSMO. Sec. 32.383.

The amnesty covers unpaid state taxes due on or before Dec. 31, 2014. The amnesty period begins Sept. 1, 2015, and ends Nov. 30, 2015. Eligible taxes include Missouri individual income, corporate income, corporate franchise, employer withholding, sales, vendor use, consumer's use and fiduciary taxes.

The amnesty applies to taxpayers who fully pay their outstanding liabilities during the amnesty period, and agree to remain in compliance with Missouri tax laws for the next eight years. It relieves affected taxpayers of all remaining interest and penalties on the taxes paid. The law establishing the 2015 tax amnesty bars taxpayers participating in the 2015 amnesty from participation in any future Missouri tax amnesty program.

Prior Missouri tax amnesty programs, conducted in 2002 and 2003, did not contain such restrictions. Therefore, a taxpayer who participated in those prior amnesty programs may also participate in the 2015 amnesty. Tax payments made under the amnesty cannot be subsequently recovered or refunded to the taxpayer, even if facts are subsequently discovered that indicate the tax was not due, or a court determines the tax did not apply to the income or transactions at issue.

A taxpayer presently in a payment plan can secure relief from remaining additions to tax, interest and penalties by paying the principal balance in full during the payment period.

A taxpayer who is a party to tax-related litigation pending in a civil, criminal or bankruptcy court, or is involved in a tax-related criminal investigation, is ineligible for the amnesty. Taxpayers should check with the Department of Revenue to confirm that a proceeding at the Administrative Hearing Commission is not "litigation," which would prevent application of the amnesty.

Interest and penalties on lien fees and returned check charges cannot be amortized.

A taxpayer can apply for the amnesty by submitting a Missouri Tax Amnesty Application; this form is online at dor.mo.gov/amnesty. In addition, the Department will mail "Amnesty Eligibility Notices" to taxpayers and businesses it knows to have outstanding liabilities.

The application or completed eligibility notice must be returned with full payment and postmarked no later than Nov. 30, 2015. Payments can be made by personal check or money order, electronic transfer, credit card or cashier's check. A separate application and payment will be required for each type of tax for which amnesty is requested.

The Department will not accept applications for amnesty prior to the Sept. 1, 2015, starting date.

For further information, visit dor.mo.gov/faq/amnesty or call the Department at (573) 751-7200.

In addition, Kansas has also legislated an amnesty, which begins on Sept. 1, 2015. The Kansas amnesty ends on Oct. 15, 2015, and only applies to penalties and interest on certain taxes for periods ending on or before Dec. 31, 2013. For more information, visit ksrevenue.org/taxamnesty.

Harry Charles is a CPA and attorney with Harry Charles, Attorney at Law, in St. Louis. He is a member of the MSCPA Taxation Committee. Harry can be contacted at hcharlesatty@aol.com.

Arthur M. Seltzer, CPA, is a long-time member and former chair of the MSCPA Taxation Committee. He is now semi-retired but remains active in the MSCPA. Art can be reached at seltzer@accessus.net.



YOUR LAST DECISION

IS THE BIGGEST.

When it is time to transition out of your practice you want to do it right. Accounting Practice Sales is the largest facilitator in North America for selling accounting and tax practices. We provide a free estimate of your firm's value, market extensively, assist in negotiations and find you the right situation. We understand your concerns and respect your confidentiality.

Contact us today so your last decision will be your best.



Gary L. Holmes
1-888-847-1040 x 1

garyh@apsleader.com
www.AccountingPracticeSales.com