

>> SALT BRIEFS **UPDATE**

New York—Bulk Sale Notification

The New York Division of Tax Appeals determined that a New York taxpayer was liable for sales tax owed by the seller in a bulk sale transaction when the taxpayer failed to timely file a notification of bulk sale with the New York Division of Taxation. Tax Law § 1141(c) requires the purchaser in a bulk sale transaction to notify the Division of Taxation at least ten days prior to making payment or taking possession of the assets in order to protect the him/herself from becoming liable for the seller's sales tax liabilities. In this case, the taxpayer mailed the notification on the day of the sale and failed to put the consideration for the assets in escrow pending final approval from the Division of Taxation.

Many states have similar laws requiring advance notification of bulk sale transactions. Taxpayers should review the bulk sale notification requirements prior to entering such transactions to minimize potential sales tax liabilities. ■

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Amnesty Program Updates

Virginia Tax Amnesty Program

Virginia has recently enacted legislation authorizing a tax amnesty program that will take place for a period between 60 and 75 days during the upcoming fiscal year of July 1, 2009 to June 30, 2010. All penalties and one-half of the interest will be waived upon payment of the tax. The program is open to all taxpayers who are required to file a return or pay any tax administered or collected by the Virginia Department of Taxation with the following exceptions:

- Taxpayers under investigation or prosecution for filing a fraudulent return or filing a return with the intent to evade tax.
- Taxpayers with any assessment that is less than 90 days prior to the first day of the program or with respect to any liability arising from failure to file a return for which the due date of the return is less than 90 days prior to the first day of the program.
- Any taxpayer with an income tax liability attributable to tax years beginning on and after January 1, 2008.

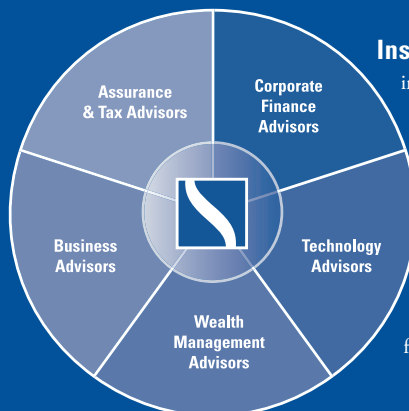
Taxpayers who are eligible for amnesty and do not take advantage of the amnesty program are liable for an additional penalty assessment of 20% on the underpayment of tax after the end date of the amnesty program. ■

Connecticut Amnesty Program

Connecticut is offering tax amnesty beginning May 1, 2009. The amnesty includes tax periods ending on or before November 30, 2008. Nearly all Connecticut taxes administered by the Department of Revenue Services are eligible for the amnesty, including business use tax, corporation business tax, and sales and use tax. The amnesty program requires an application and is not available to taxpayers who are under audit or the subject of a civil or criminal investigation. ■

Proposed Maryland Amnesty Program

The Maryland Senate recently passed legislation authorizing an amnesty period from September 1, 2009 to October 31, 2009. The amnesty would be applicable to taxpayers who underpaid their taxes and or failed to file the appropriate returns for individual income tax, corporate income tax, withholding, sales and use tax, and admission and amusement tax. The legislation would allow the Maryland Comptroller to abate all penalties and interest related with the late payment of tax during the amnesty period. The proposed legislation must be approved by the Maryland House of Delegates and the Governor before becoming law. ■



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