

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 883

Short Title: Tax Amnesty Program. (Public)

Sponsors: Representatives Pierce and Hall (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Rules, Calendar, and Operations of the House.

May 4, 2011

A BILL TO BE ENTITLED

AN ACT TO CREATE A TAX AMNESTY PERIOD FOR TAXPAYERS WITH OVERDUE
TAX DEBTS.

The General Assembly of North Carolina enacts:

SECTION 1. Amnesty program established. – The Department of Revenue shall administer a tax amnesty program to be conducted during the period July 1, 2011, through December 31, 2011. During the tax amnesty period, the Department of Revenue may not initiate a criminal prosecution for failure to report or pay taxes within the scope of the program and shall waive all penalties assessed for such failure when the taxes, plus fifty percent (50%) of the interest due, are paid in full.

SECTION 2. Scope. – The scope of the tax amnesty program extends to any tax that falls within the definition of an overdue tax debt, as defined in G.S. 105-243.1, incurred before April 15, 2011. The program does not apply to any matter that is the subject of a pending court proceeding.

SECTION 3. Effect of payment under program. – A taxpayer who pays unreported, underreported, or assessed but unpaid taxes as part of the program is not subject to criminal prosecution for not reporting, underreporting, or not paying the taxes, but must pay fifty percent (50%) of the interest due on the taxes at the rate established under G.S. 105-241.21. An attorney, accountant, paid preparer of a tax return, or other person who would otherwise be subject to criminal prosecution under G.S. 105-236(9a) for actions concerning returns prepared for unreported or underreported taxes paid pursuant to the amnesty program is not subject to criminal prosecution under that subdivision on the basis of those actions.

SECTION 4. Requirements. – To be eligible to participate in the program, a taxpayer shall do each of the following:

- (1) File an application to participate before the end of the amnesty period.
- (2) File a return for all reporting periods for which the taxpayer has not previously filed a return but was required to file a return.
- (3) File an amended tax return for all reporting periods for which the taxpayer underreported tax liability.
- (4) Pay the taxpayer's previously assessed taxes or unreported or underreported taxes for all reporting periods in full plus fifty percent (50%) of the interest due on the taxes by December 31, 2011.



1 **SECTION 5.** Administration. – The Secretary of Revenue shall issue forms and
2 instructions to implement the amnesty program and shall publicize the tax amnesty period to
3 maximize public awareness of and participation in the program.

4 **SECTION 6.** Funds. – To pay for the tax amnesty program provided in this act, the
5 Secretary of Revenue may draw up to one million one hundred thousand dollars (\$1,100,000)
6 from collections received by the Department during July 2011 under Part 2 of Article 4 of
7 Chapter 105 of the General Statutes.

8 **SECTION 7.** It is the intent of the General Assembly to encourage taxpayers with
9 overdue tax debts to voluntarily come forward and to eliminate those tax debts either with a
10 one-time payment or a program where the tax debts are paid on a schedule; however, no
11 disadvantage is intended for individuals who have previously come forward voluntarily and
12 entered into a scheduled program to pay overdue tax debts. Accordingly, the Secretary of
13 Revenue is directed to modify any existing payment programs for taxpayers with overdue tax
14 debts to comply with the requirements of the amnesty program established pursuant to this act
15 for payments occurring on or after the effective date of this act.

16 **SECTION 8.** This act is effective when it becomes law.