

## **Expanded Voluntary Disclosure Agreements**

September 21, 2020

Business Advisory Council

Alyson Fouts



# Expanded Voluntary Disclosure Agreement

- Temporary expansion from July 15 November 30, 2020
- Applicants must:
  - Submit application online by Nov. 30, 2020.
  - Disclose the business name within 15 days of application
  - Make full payment within 30-days of the assessment issue date
- Collected but unremitted retail sales tax does not qualify



# Expanded VDA Criteria

#### **Businesses eligible for program**

Traditional VDA Criteria	Temporary Expanded VDA Criteria (July 15 - Nov. 30, 2020)
Businesses never registered with or reported taxes to the department	<ul> <li>Businesses that closed their tax registration prior to Jan. 1, 2020.</li> <li>This includes businesses that have previously filed tax returns.</li> <li>Businesses that were placed on Active Non-Reporting status prior to Jan. 1, 2020.</li> </ul>
Businesses never contacted by the department for enforcement purposes	<ul> <li>Businesses whose most recent enforcement contact was prior to July 1, 2019.         <ul> <li>Enforcement contact made on or after July 1, 2019 would disqualify the business from receiving voluntary disclosure benefits.</li> <li>Businesses that have been contacted at any time by the department regarding Wayfair, Marketplace Fairness, or Remote Seller Relief, do not qualify for the VDA program.</li> </ul> </li> <li>Businesses who have not been named as an affiliate of another business through an enforcement contact.         <ul> <li>"Named affiliates" means affiliates addressed specifically by name, by the department through enforcement contact, or by the businesses in a response to enforcement contact by the department.</li> </ul> </li> </ul>
Businesses not engaged in evasion or misrepresentation in reporting tax liabilities	No change.



#### **VDA** Data

- 213 applications have been received since July 15
  - 80 have been identified as needing "expanded" treatment
  - 76 would have qualified for standard treatment
  - 13 Denied
  - 44 still need to be analyzed
- 14 Expanded VDA audits issued since program opened
  - \$1.6 million assessed
  - \$1.5 million paid
  - \$ 600,000+ penalties waived



# UPDATE: Flexible COVID Payment Plan

- 2127 total requests (153 withdrawn)
- 1974 active request
  - 381 need agent follow-up
  - I 593 payment plan set up
- Of I593 payment plans
  - 87% active
  - 4% paid in full
  - 9% defaulted
- Program ends this month applies to tax liabilities due by July 3 I st





# Business Licensing and Tax System Upgrade

#### On Sept. 15 we upgraded My DOR with a:

- More mobile-friendly look and feel
- Action items list for important tasks specific to a business's account
- New feature to view returns and payments across business accounts
- Self-service option to set up a payment plan



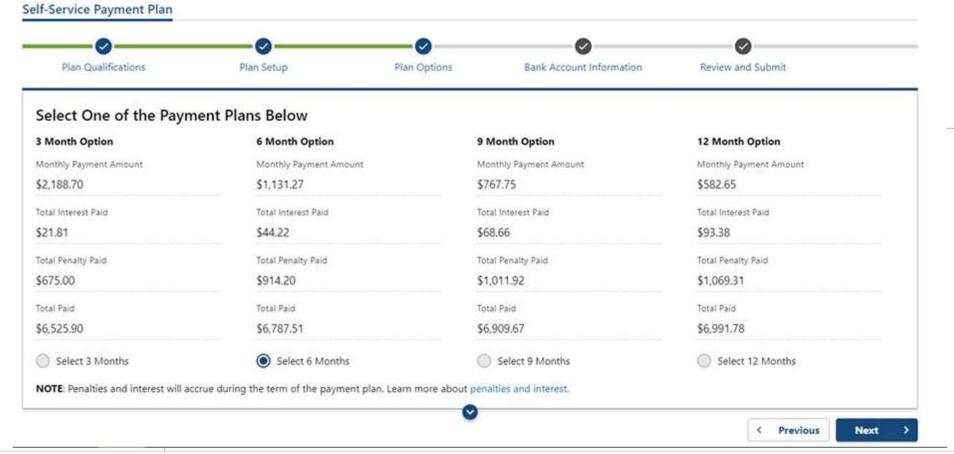
# Self-Service Payment Plans

### To qualify, businesses must have:

- Received a bill from the Department
- Total tax amount due (including penalties and interest) greater than \$100 and less than \$100,000
- A bank account that allows direct debit (ACH debit) payments
- No active DOR tax warrants or tax liens
- No active payment plans or a payment plan in the past 12 months
- Filed actual figures
- An active business license (not revoked)
- No tax avoidance or evasion penalties included the tax liabilities
- No active bankruptcy



# Self-Service Payment Plans





# Thank you!