

## About the program

If your business has nexus in Washington, and you are required to register and report, we can help. Our Voluntary Disclosure Program helps unregistered businesses follow Washington tax laws, voluntarily register, and pay tax obligations they may owe.

## Who must register?

You must register with the department if you have nexus in Washington.

## Types of nexus

### ▶ Physical nexus

If you have a physical presence in Washington, including property, employees or a third party representative, and you make retail or wholesale sales, you must register and report (WAC 458-20-193).

### ▶ Economic nexus

If you provide services or other apportionable activities, you do not need to have a physical presence. You may still be required to collect and pay Washington taxes. If you meet certain thresholds for employees or property in Washington or from your income from Washington customers, you must register and report (WAC 458-20-19401).

## Program benefits

The Voluntary Disclosure Program offers these benefits:

- ▶ The law generally limits the department's look back period for your tax liability to the previous four years plus the current year.
- ▶ The department may waive up to 39 percent in penalties.
- ▶ The department can summarize your unreported taxes in one tax assessment.

You will still be required to pay full statutory interest on all amounts due.

If the department discovers your business through a normal investigation, examination or audit procedure, you may be responsible for tax, interest and penalties of up to 39 percent of the tax due. The law also gives the department a look back period of seven years plus the current year (WAC 458-20-228 and 458-20-230).

## Find out if you're eligible

To qualify, you must meet these requirements:

- ▶ You never registered with or reported taxes to the department.
- ▶ The department has never contacted you for enforcement purposes such as audit/compliance contacts or requests.
- ▶ You are not engaged in evasion or misrepresentation in reporting your tax liabilities.

## Not sure if you meet the requirements?

You may not know whether your business has been registered with the department for tax collection purposes. Before you complete the voluntary disclosure application online, we recommend that you use our Business Lookup Tool at [dor.wa.gov/BusinessLookup](https://dor.wa.gov/BusinessLookup), and search for your business.

## Prior contact

If we find that the department previously contacted your business or affiliated entities to determine your registration and reporting requirements or for other enforcement issues, you will not qualify for the Voluntary Disclosure Program (WAC 458-20-228 (5)(a)(iii)).

## Related and affiliated entities

If you have unregistered affiliates, subsidiaries, or related entities that the law requires to register and report, they are encouraged to come forward through the Voluntary Disclosure Program. You must file a separate application for each business entity. See definitions for more information.

## Anonymity

When you fill out your application, we will ask you to disclose your business name and contact information so we can verify your eligibility. You also have the option to come forward anonymously.

If you apply anonymously, you must disclose your business identity within 15 calendar days of the application date. The department cannot begin discovery on your business for this time period.

## Application process

You must submit all requests for voluntary disclosure through our online application at [dor.wa.gov/voluntarydisclosure](http://dor.wa.gov/voluntarydisclosure).

## Formal agreement

The department will approve your application if we determine that you meet the voluntary disclosure qualifications. We will prepare a voluntary disclosure agreement that you must sign and return within 30 calendar days of the original application date. If you do not return the signed agreement within 30 days, we will not approve your application. You could be responsible for tax, interest and penalties of up to 39 percent of your tax due for seven years plus the current year.

## What happens next?

After you sign and return the formal agreement, you will receive instructions to register your business. We will work with you to determine which taxes to collect and pay, your tax liability, and we will issue a tax assessment.

## Contact information

If you want more information about the program, please contact us by:

Phone: (360) 704-5649

Email: [voluntarydisclosure@dor.wa.gov](mailto:voluntarydisclosure@dor.wa.gov)

Website: [dor.wa.gov/voluntarydisclosure](http://dor.wa.gov/voluntarydisclosure)

## Telephone Information Center

1-800-647-7706

## Website

[dor.wa.gov](http://dor.wa.gov)

## Definitions

- ▶ Affiliate means a person that is affiliated with another person.
- ▶ Affiliated means under common control.
- ▶ Control means the possession, directly or indirectly, of more than 50 percent of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise. Under these definitions, affiliates would include subsidiaries (RCW 82.04.29005, RCW 82.04.645).

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Prepared by the Customer Experience and Communications division

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