

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE DRH50287-MC-74 (02/17)

Short Title: Tax Amnesty Program.

(Public)

Sponsors: Representative Moffitt.

Referred to:

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 June 30, 2012. 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 after January 1, 2008, and before December 31, 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 his or her 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 June 30, 2012.



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.** This act is effective when it becomes law.