



Tax Amnesty Program

Business Services Department
Tax Audit & Collections





Proposal

- ▶ Tax Amnesty program for a two-month period from June 1, 2017 through July 31, 2017.
- ▶ Generate revenue by collecting aging tax account receivable balances and encourage taxpayers to file and pay on unfiled/delinquent tax returns.



Other Agencies

- ▶ Tucson - Two tax amnesty programs, waived 100% of the penalty and 50% of the interest. Revenue generated from 2009 Amnesty Program - \$928, 242 and 2015 Amnesty Program - \$2 million.
- ▶ State of Arizona - Amnesty program in 2015 generated \$55 million compared to \$15 million projected. Due to the success of the 2015 amnesty program, the State of Arizona conducted another amnesty program in 2016.



Tax Amnesty Program

- ▶ With the Tax Simplification Initiative, collection of Transaction Privilege Tax, Use Tax & Transient Lodging Tax is now being administrated by the State as of January 1, 2017.
- ▶ A Tax Amnesty Program will assist the collections unit, clear pre-transition delinquent tax accounts receivable balances and delinquent/missing tax returns.



Proposed Tax Amnesty Program

- ▶ Waiver of 100% penalty and 50% interest.
- ▶ Estimates:
 - ▶ 60% Collection - \$1.75M A/R debt cleared - \$581K net proceeds
 - ▶ 40% Collection - \$1.17M A/R debt cleared - \$387K net proceeds
- ▶ Plus: Unknown amount from unfiled returns and unlicensed businesses



Proposed Tax Amnesty Program

Who can participate?

- ▶ Licensed businesses with delinquent tax returns
- ▶ Taxpayers with outstanding tax account receivables
- ▶ Unlicensed businesses that are liable for Mesa Transaction Privilege, Use & Transient Lodging Tax through December

Who may not participate?

- ▶ Receivables created as the result of an audit will not be eligible for the program due to State of Arizona audit administration.



Questions?

