

NEW YORK STATE PENALTY AND INTEREST DISCOUNT PROGRAM

DECEMBER 14, 2009

BE IN A POSITION OF STRENGTHSM

Recently New York State authorized a limited tax amnesty program known as the Penalty and Interest Discount program ("PAID"). The PAID program offers taxpayers an opportunity to take advantage of significant reductions in penalty and interest amounts that have been assessed on existing final tax determinations.

Qualified taxpayers that participate in the PAID program can reduce the penalty and interest on unpaid tax bills by:

80% for tax bills issued prior to December 31, 2003, and,

50% for tax bills issued after December 31, 2003 but before December 31, 2006.

Eligible taxpayers include individuals, partnerships, estates, trusts, and corporations who have received a final tax determination that was issued prior to December 31, 2006. Any final determinations that are less than three years old are not eligible for the PAID program.

The PAID program will be available beginning on January 15, 2010 and continuing through March 15, 2010. All eligible taxpayers must make full payment of any tax, interest, and penalty before the expiration date of the program in order to take advantage of the PAID benefits.

The New York Department of Taxation and Finance ("Department") will begin contacting eligible taxpayers by mail beginning in January 2010 to inform them that they may be eligible to participate in the PAID program. Taxpayers can also use the Department's website at www.nystax.gov to see if they may have tax bills from prior years that may be eligible for the program.

THE STATE OF NEW YORK IS OFFERING TAXPAYERS WITH OUTSTANDING TAX DEBTS TO PAY OFF THOSE DEBTS WITH LOWER PENALTY AND INTEREST.

**Questions or comments?
E-mail us at taxbriefs@withum.com**



WithumSmith+Brown, PC
Certified Public Accountants and Consultants
New Jersey. New York. Pennsylvania. Maryland. Florida. Colorado.

NEW YORK STATE PENALTY AND INTEREST DISCOUNT PROGRAM

DECEMBER 14, 2009

BE IN A POSITION OF STRENGTHSM

Taxpayers excluded from the PAID program are those who were convicted of a crime and required to pay a tax liability as a result of this conviction. Also, any fraud penalties are excluded from the PAID program.

The Department has increased their efforts to collect all outstanding tax liabilities therefore eligible taxpayers should take advantage of the PAID program if at all possible. If not, the savings opportunity provided by PAID will be lost and any unpaid tax debts will continue to accrue penalty and interest at the full statutory rate.

If you have any questions concerning the New York State PAID please contact the WS+B State and Local Taxes team.

If you have any questions, please contact the WS+B Tax Services Group.



WithumSmith+Brown, PC
Certified Public Accountants and Consultants
New Jersey. New York. Pennsylvania. Maryland. Florida. Colorado.