

## New Tax Amnesty Included in Pennsylvania Budget Bill

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A tax amnesty program was a key element of the resolution to Pennsylvania's 2016-2017 budget stand-off. As a result, in the coming months, delinquent Pennsylvania taxpayers will be given a 60-day window to become current on their Pennsylvania taxes. Taxpayers who avail themselves of the new tax amnesty program will pay no penalties and only half of the interest that would otherwise have been due.

While the dates for the program have not yet been announced, it must start no later than May 1, 2017. Taxes owed for 2011 through 2015 are eligible for the amnesty program, so 2016 tax liabilities are not covered by the program. As a condition of being granted amnesty, taxpayers must timely file all tax returns and pay their tax liabilities during the following two years. Once announced, the 60-day window for the amnesty will be strictly enforced so advanced planning may be warranted.

The amnesty is estimated to collect an extra \$100 to \$150 million above what otherwise would have been collected. Other tax provisions in the 2016-2017 budget extended state income taxes to lottery winnings, extended the state sales tax to digital downloads (such as ebooks and music), increased tobacco taxes, and imposed a new tax on electronic cigarettes.

To learn more about the information presented in this alert, we invite you to contact Kevin Greenberg, or any member of Flaster Greenberg's Business Law or Taxation groups.