

# PUBLICATION

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## Spotlight on Alabama: 2018 Tax Amnesty Program

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**March 22, 2018**

**On March 6, 2018, Alabama Governor Kay Ivey signed House Bill 137 (the "Act") into law, establishing a tax delinquency amnesty program for 2018. The Amnesty Program will be in effect beginning on July 1, 2018 and ending on September 30, 2018.**

*Eligible Taxes and Tax Periods.* The Amnesty Program applies to all taxes administered by the Alabama Department of Revenue, except for motor fuel taxes, motor vehicle taxes, and property taxes. Tax periods eligible for the Amnesty Program include:

1. Taxes due prior to January 1, 2017;
2. Taxes for taxable periods that began before January 1, 2017.

Generally, the Department will apply a limited look-back and only require the last three years. The limited look-back applies separately for each tax type.

*Waiver of Interest and Penalties.* Taxpayers who are eligible will receive a **complete waiver of interest and penalties** for all tax periods included in the Amnesty Program.

*Eligibility.* Taxpayers who have had contact with the Department, or an agent thereof, as to the particular type of tax within two years prior to the submission of an application for the Amnesty Program are ineligible for the program. This includes contact by means of an audit or notice of audit, payment of tax, registration for tax, request for an extension of time to file, payment of estimated tax, filing a return, noncompliance issued in response to an application for a certificate of good standing, or a certificate of compliance by the taxpayer or on behalf of the taxpayer.

The Act further provides that certain taxpayers are ineligible for the program, including taxpayers that:

- Are party to a criminal investigation or criminal litigation involving nonpayment, delinquency, or fraud in relation to any tax imposed by the Department;
- Have been issued a final assessment in which the appeal period has ended;
- Have entered into a voluntary disclosure agreement with the Department before December 31, 2017;
- Have been granted amnesty for the tax type as part of the Alabama Tax Delinquency Amnesty Act of 2016.

*Waiver of Right to Protest.* Taxpayers participating in the Amnesty Program will be required to waive any right to protest or initiate an administrative or judicial proceeding as to the particular tax and tax period(s) for which amnesty is granted.

If you have any questions about the Amnesty Program and its conditions, requirements and limitations, and how it could impact you or your business, please contact [Thomas Mahoney](#) or any of the Alabama attorneys in Baker Donelson's [Tax Group](#).

