

A faded, stylized portrait of George Washington, the first President of the United States, is visible in the background. The portrait is rendered in a light, sketch-like style with fine lines and shading, particularly around the eyes and beard. It is positioned on the left side of the slide, partially overlapping the white and blue background elements.

Inside look at Washington's first amnesty program

Vikki Smith, Director

NCSL 2015 Legislative Summit

August 4, 2015

Amnesty program elements

- Amnesty bill passed during special session on Dec. 11, 2011.
- Program started Feb. 1, 2011, and ended April 30, 2011.
- Seven weeks and four days to launch!
- Provided temporary penalty and interest waiver on select state and local excise taxes.
- Available for registered, unregistered businesses and closed businesses.
- Required amnesty recipients to remain current on taxes due during the amnesty program. Had to waive their right to seek a refund or challenge the taxes on any amount granted amnesty.

Application statistics

Applications received	10,974
Number of duplicates	1,676
Applications approved	5,420
Businesses granted amnesty	5,095
Businesses granted amnesty that did not owe any additional amount	570
Applications denied*	3,631

Top reasons for denial:

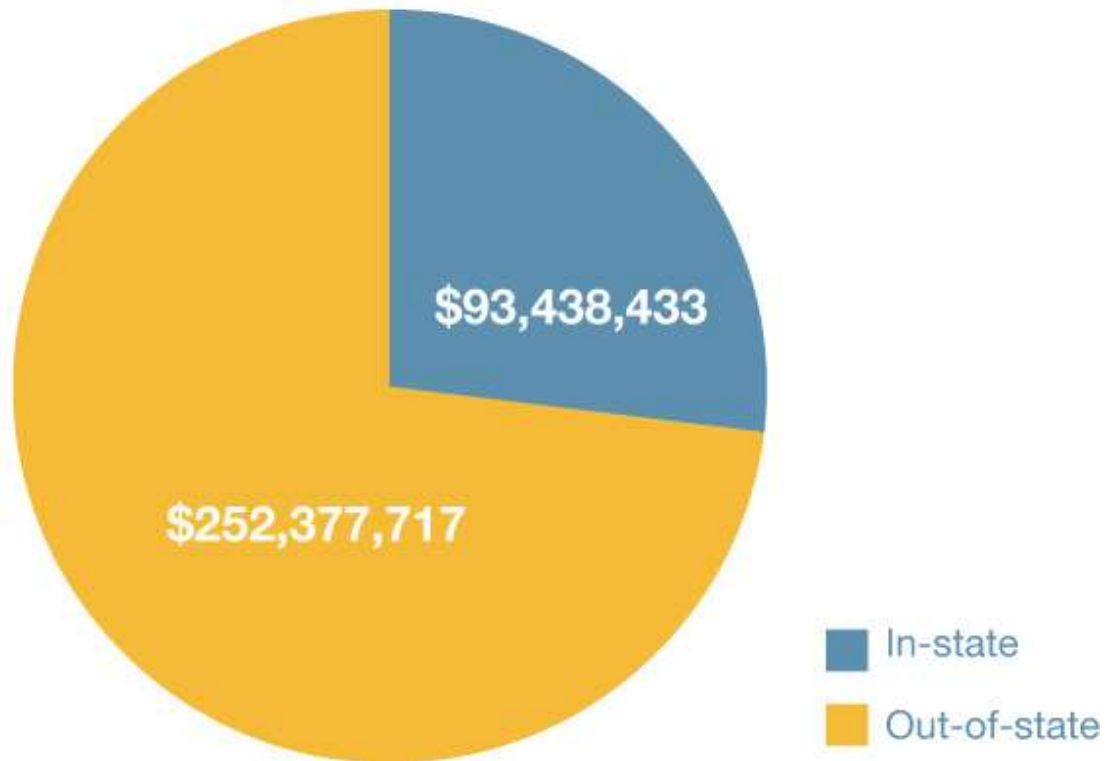
- Filed a late return during amnesty 34 percent
- Requested amnesty for invalid period 24 percent
- Never submitted amnesty payment 23 percent

Revenue statistics

- **Our initial estimate was \$28.3 million**
- **Total revenue generated \$345.8 million**
 - State general fund - \$284.0 million
 - State public utility tax - \$0.5 million
 - Cities and counties - \$61.3 million
- **Penalties and interest waived \$91.0 million**
- **New state general fund revenue \$29.9 million**

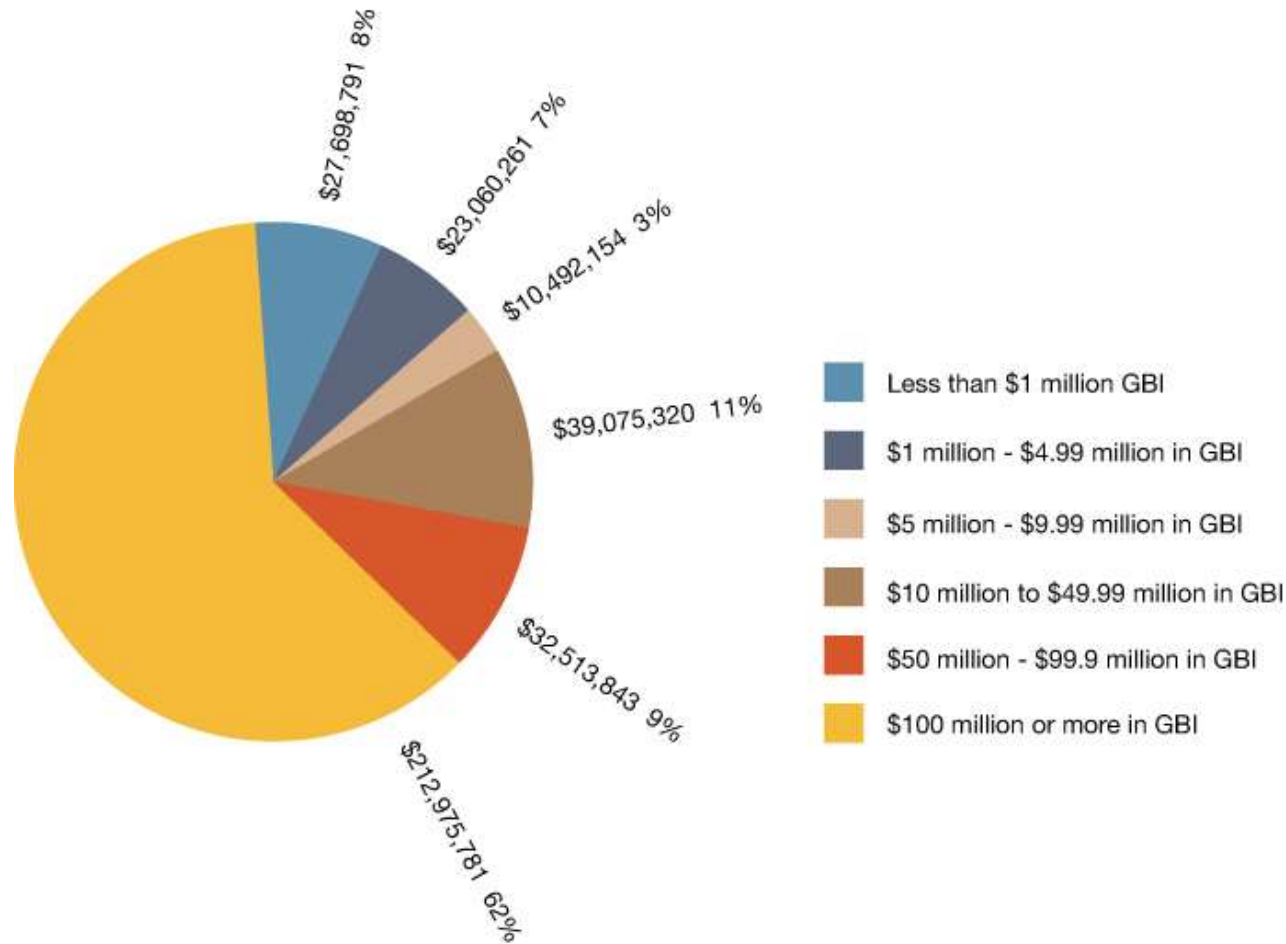
Financial statistics

Amnesty dollars received by in-state/out-of-state businesses



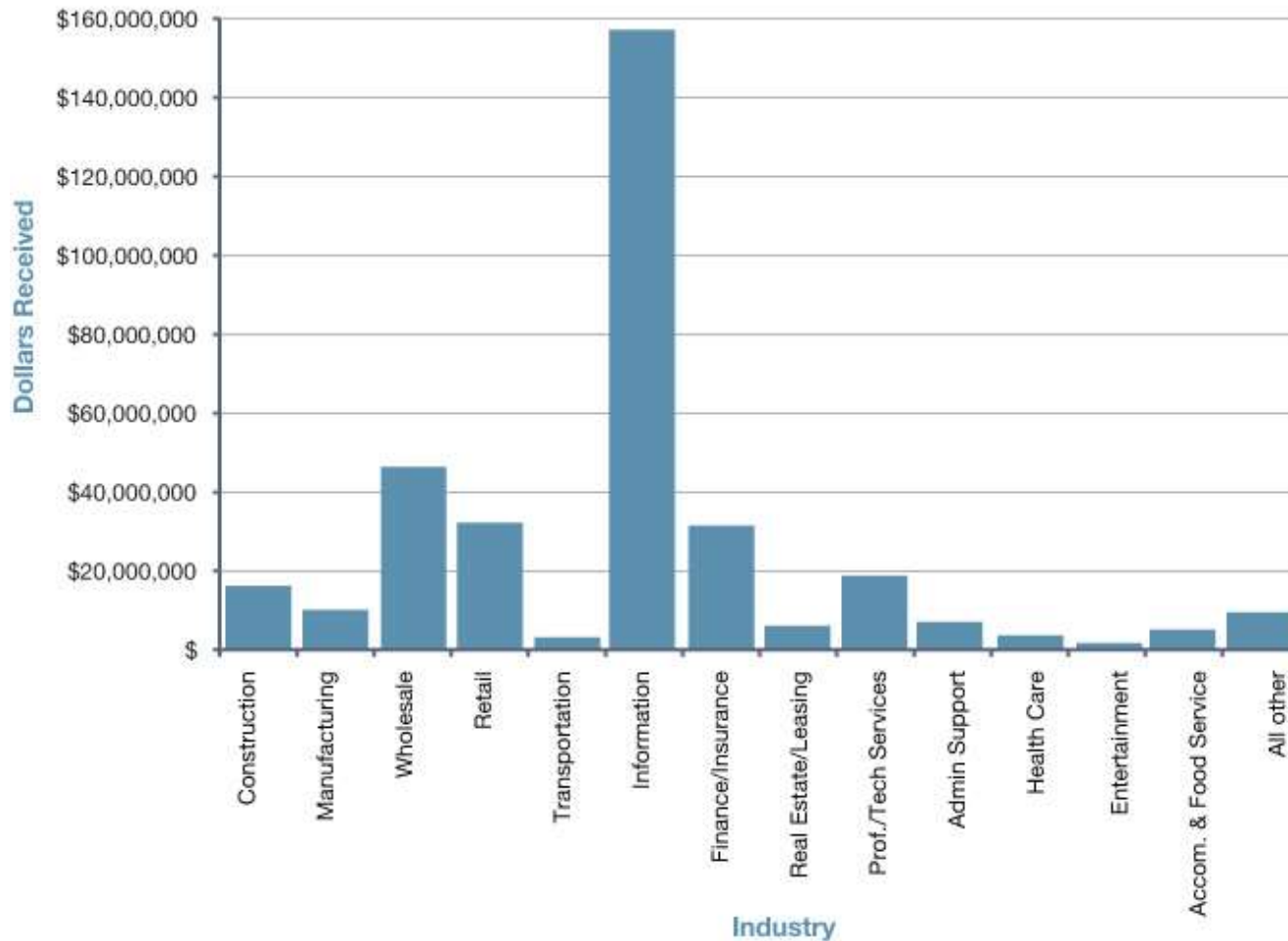
Financial Statistics

Amnesty dollars collected by business size

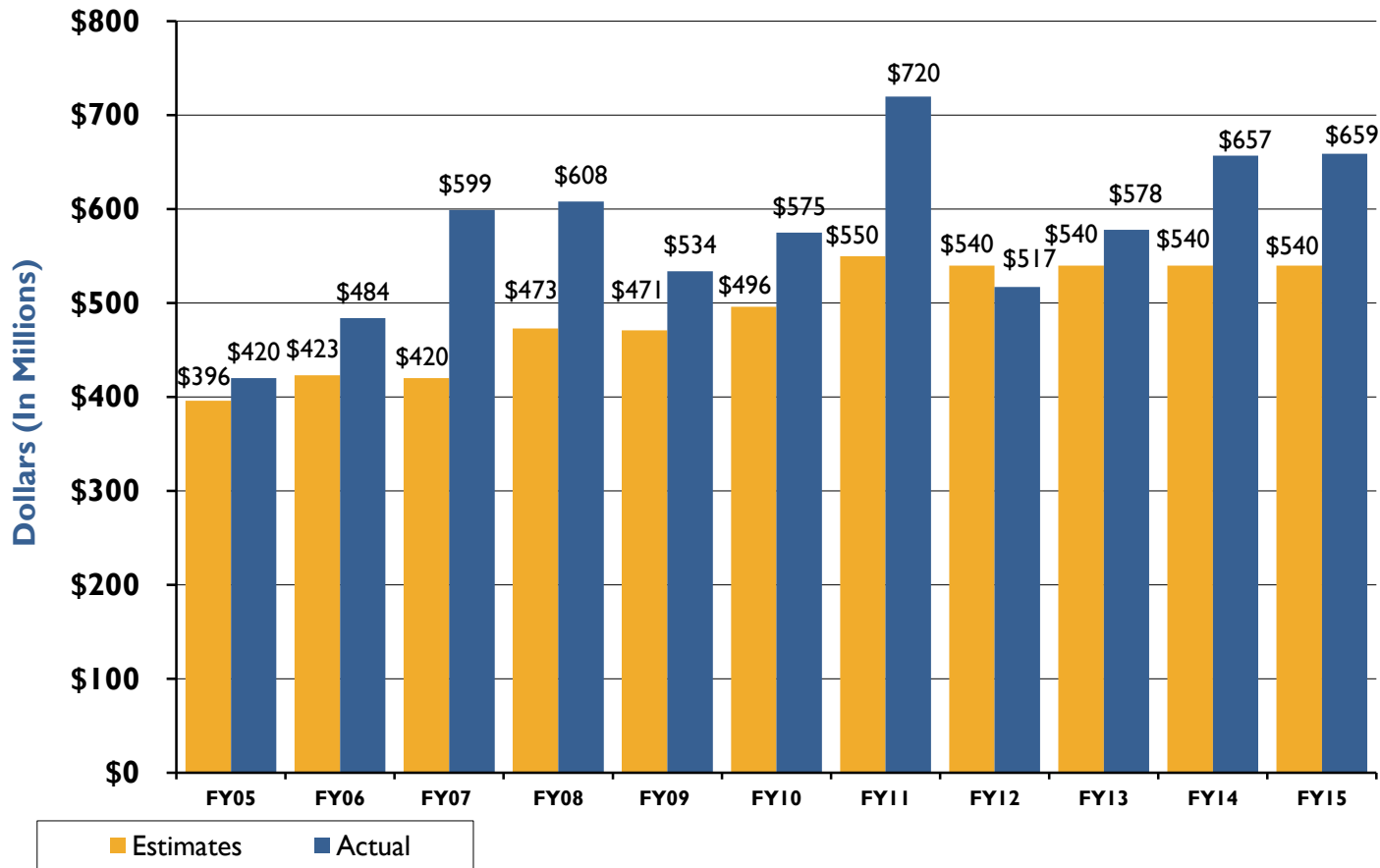


Financial statistics

Amnesty dollars received from taxpayers by industry



Impacts of amnesty on revenue collections



Lessons learned

- Require taxpayers to stay current for a longer time – up to one year.
- Draw clearer lines of distinction between unregistered accounts identified by tax discovery and unregistered accounts that came forward voluntarily.
- Disallow a business under audit to be considered under amnesty.
- Consider imposing consequences for taxpayers that don't come forward.
- Do not disqualify taxpayers from amnesty if they are granted a penalty waiver.

Promoting voluntary compliance

Washington Dept. of Revenue's Vision

To achieve the highest level of voluntary compliance and customer service through collaboration and innovation.

Approaches

- Clear, administrable legislation
- Industry education and outreach
- Audits (assigned and managed)
- Coordinated tax discovery efforts
- Voluntary Disclosure program
- Promote prosecution

A stylized, high-contrast portrait of George Washington, rendered in a sketch-like or woodcut style. The portrait is positioned on the left side of the slide, with the right side of his face fading into the background. The background is a light blue gradient that transitions into a darker blue on the right side.

Questions?