



Tax Tips You Can Use September October 2009

Oregon Tax Amnesty Program 2009

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The Oregon legislature has voted to give Oregonians an early Christmas present. Senate bill 880 creates a one time tax amnesty program. It is a great opportunity for Oregon non-filers to bring their taxes up to date with few or no penalties and up to half of the interest waived. There are several things you need to know to use this program or to recommend it to friends or family.

The taxpayers who qualify for the tax amnesty program are individuals and businesses who have not filed income or excise tax returns for 2007 and earlier years. Several other types of returns qualify, but the ones mentioned here are those common in our area. In addition, underreported taxes may also qualify for amnesty. This is good news for many people because the penalties and interest for taxes that overdue by several years can be as much as the tax itself. If you already owe back taxes, the program does not apply to you.

This great program does have some requirements. First, the taxpayer must apply to take part in the program. The applications are available from any tax preparer or online at www.oregonamnesty.com and must be filed between October 1, 2009 and November 19, 2009. In addition, the taxpayer must apply for amnesty for all of the unfiled returns. It is important to note that if you have filed your taxes and received a notice of deficiency or otherwise had taxes assessed for any year, those taxes and that year do not qualify for the program. Finally, all of the returns that are on the applications must be filed by January 19, 2010.

I am surprised by the number of people who do not file their taxes for four, five or even more years. There are many reasons for this. The most common one I hear is that a family crisis, illness or death caused the taxpayer to miss the filing deadline for one year and she was not sure that she could file the next year because of the missed year. Some people even fear jail for unfiled returns. The cycle continues until the weight of the problem finally causes the taxpayer to seek help. For people in this situation, now is an excellent time to catch up. Not only will a taxpayer stop losing sleep, but, for Oregon state taxes, all of the penalties and half of the interest will be waved.

The benefits of this program are a substantial savings of money on Oregon penalties and interest. The downsides are important to know. First, to prepare the Oregon returns, the federal returns must also be prepared. If they are filed, whatever federal taxes are due are not part of the state amnesty program. Second, if you apply for the program and do not file the returns by January 19, 2010, another 25% penalty will be added to the final bill in addition to all of the other penalties and interest that are charged. Finally, remember that because of your application, the state will know who and where you are.

The Oregon tax amnesty program is a great savings for people who are losing sleep over unfiled tax returns. Now is the time to act.

The Jacksonville Tax Lady, LLC can be reached at 541-899-7926 and is located in beautiful, historic Jacksonville Oregon. at 610 N. Fifth Street across from the Pony Espresso.

The fine print is that this article is for information only. Please call Kathy or a tax professional for questions about your individual tax situation. The Jacksonville Tax Lady can be reached at 541-899-7926 or at 610 North Fifth Street.

