

Alabama Department of Revenue

News Release

April 1, 2010

Offshore Tax Account Holders Have Limited Time to Pay What They Owe Alabama

Montgomery— Following on last year's successful effort to encourage delinquent tax filers to pay what they owe, the state is now offering a time-limited opportunity for anyone trying to avoid Alabama taxes by using hidden, offshore bank accounts to come forward without penalty.

Individuals and businesses using hidden, offshore accounts in order to avoid Alabama's tax laws have until Sept. 30 to report the hidden account, file past-due returns or amend their prior-year returns, and properly report their Alabama tax liabilities. Those that do will avoid penalties and possible criminal prosecution by the Alabama Department of Revenue.

The Internal Revenue Service recently offered a similar disclosure program for a limited time last year and reported an impressive response, with thousands of taxpayers coming forward, and several other states are offering similar programs.

Last year, the state waived penalties for delinquent taxpayers who came forward during a three-month period and voluntarily paid their tax liabilities. That effort brought in more than \$8.1 million in unpaid taxes.

"Individuals and businesses that voluntarily disclose their hidden assets and pay all back taxes, along with interest, will not be assessed tax penalties or face criminal prosecution from the Department of Revenue," explained Commissioner Tim Russell.

"We encourage individuals and businesses who can take advantage of this program to do so. Do not let this opportunity pass," added Russell. "When these accounts are disclosed to the department by other sources, it will be too late to expect leniency."

The program is available to both individual and business taxpayers and applies to individual and corporate income taxes. This program, however, is not available to persons who are already under investigation by the Alabama Department of Revenue or who have been contacted by the department regarding their proper tax liability.

Individuals and businesses wanting to take advantage of this program can send their delinquent or amended tax returns to the Alabama Department of Revenue, P.O. Box 327010, Montgomery, AL 36132-7010. Filers taking advantage of this program should write "Offshore" in red ink at the top of the Alabama return.

Those with any questions can call at **866-326-6755 or 334-242-1380**.

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