

Alabama Department of Revenue

News Release

June 1, 2007

Alabama Joins Multistate Voluntary Compliance Program Aimed at Abusive Tax Shelters

Montgomery—State Revenue Commissioner Tom Surtees recently announced that Alabama has joined 20 other states in a multistate voluntary compliance program, coordinated by the Multistate Tax Commission (MTC), aimed at giving taxpayers involved with abusive tax shelters an opportunity to report those shelters without penalty.

Generally, as defined by the Internal Revenue Service, an abusive tax shelter is any tax shelter that is created to avoid paying state or federal income tax.

“The MTC’s program will provide a single point of contact and uniform procedure for taxpayers to report abusive tax shelters,” said Joe Huddleston, executive director of the Multistate Tax Commission. “The advantage of this program is that taxpayers can avoid costly penalties if they report the shelters during the designated reporting period.”

The program began May 1, 2007, and ends on Oct. 1, 2007, in participating states.

Taxpayers eligible for the voluntary compliance program include those taxpayers who filed returns for any tax periods beginning before Jan. 1, 2006, using abusive tax shelters. Taxpayers who have not filed tax returns because of abusive tax shelters may also participate.

Taxpayers who want to participate in the program must complete and send amended or original tax returns, payments, and other required documents to the Multistate Tax Commission. The MTC will serve as the central point of contact for the

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participating states. The MTC must receive all related documents by Oct. 1, 2007, to be eligible for participation.

Forms, rules, procedures, and a list of participating states may be found at <http://www.mtc.gov/Resources.aspx?id=2390>.

For more information, contact the Multistate Tax Commission by email at VCP@mtc.gov; by telephone at (202) 624-8699; or by writing to the Voluntary Compliance Program c/o Multistate Tax Commission, 444 North Capitol Street, Washington, D.C. 20001.

States participating in the voluntary compliance program include: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Georgia, Iowa, Indiana, Massachusetts, Missouri, Montana, New Jersey, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont, Washington, and Wisconsin.

The Multistate Tax Commission is a compact of state governments working to promote equitable and efficient administration of tax laws that apply to multistate and multinational enterprises.

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