



## VOLUNTARY DISCLOSURE AGREEMENT INDIVIDUAL INCOME TAX

The Ohio Department of Taxation is committed to promoting taxpayer compliance. As a part of this effort, this Voluntary Disclosure Agreement is entered into between Joseph W. Testa, Tax Commissioner for the State of Ohio (“Commissioner”) and individual(s) \_\_\_\_\_ (“Taxpayer”), social security number(s) \_\_\_\_\_. This agreement applies only to Taxpayer’s obligations with regard to the Ohio individual income tax.

The Commissioner has statutory responsibility for administering the Ohio individual income tax.

Taxpayer represents that s/he is noncompliant with the personal income tax laws of Ohio either because s/he has failed to file Ohio individual income tax returns and remit individual income tax to the state of Ohio or because upon review of his/her records, s/he has found that s/he owes additional individual income tax obligations to Ohio.

Taxpayer represents that s/he is not under audit by Ohio for individual income tax and that s/he has not otherwise been contacted by this Department regarding possible outstanding individual income tax liability. Taxpayer further represents that, to the best of his/her knowledge, it is not under investigation by the Criminal Investigations Division of the Ohio Department of Taxation.

In exchange for bringing this matter to the attention of the Commissioner, voluntary disclosure allows Taxpayer to come into compliance on substantially more favorable terms than s/he would have faced if discovered to be in noncompliance by the Commissioner. Although Taxpayer agrees to pay interest<sup>1</sup> on the tax amount owed as noted below, no additional penalties or interest penalties will be assessed on the tax due for the disclosure period, provided the Taxpayer, in good faith, complies with the terms of this agreement.

Taxpayer desires to enter into this agreement to become current on his/her tax compliance responsibilities. Accordingly, Taxpayer agrees to the following terms:

1. Taxpayer will disclose to the Commissioner all taxable income during the disclosure period by filing all individual income tax returns, required to be filed, for each tax year within the disclosure period. The disclosure period for this agreement will be 1/1/2012 through 12/31/2015.

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<sup>1</sup> The statutory interest rate is 3% for calendar years 2013 and thereafter.

2. Taxpayer will make a voluntary payment to the State of Ohio of all individual income tax due for the disclosure period.

3. Taxpayer will make a voluntary payment to the State of Ohio of interest, which will be calculated on the total amount of individual income tax due. Taxpayer acknowledges that s/he has been informed that the interest amount is due by statute and that the interest cannot be reduced or waived.

4. Taxpayer will provide complete documentation to support any tax credits s/he is claiming. The Commissioner reserves the right to review the documentation presented by Taxpayer and any other records that gave rise to the disclosure, in order to confirm that the amount of the voluntary payment being made by Taxpayer is accurate.

5. With respect to the current tax year, Taxpayer will file Ohio form(s) IT 1040ES, and make full payment of all estimated tax due to date, to the extent required by Ohio law.

6. Taxpayer agrees that it will not file any amended returns or refund claims for any individual income tax amounts paid to Ohio with respect to the disclosure period as set forth in this agreement, except to the extent permitted in Item 8, below.

7. Taxpayer agrees s/he will timely file and pay his/her Ohio individual income tax returns for all future tax periods, to the extent required by Ohio law.

8. Notwithstanding Item 6 above, in the event of IRS adjustments with respect to the individual income tax years covered by this Agreement, Taxpayer will file amended Ohio individual income tax returns computed in accordance with, and filed within 60 days as required by, Ohio Revised Code 5747.10. Such changes shall be incorporated into the returns as originally filed pursuant to this Agreement to determine the amount of additional tax due or refund owed. Taxpayer shall remit any outstanding liability, along with interest, with his/her amended returns. The Commissioner will issue any refund owed upon review and acceptance of the amended returns. Failure to timely file any amended returns or failure to pay timely any additional tax and interest due will result in the issuance of assessments (for tax, interest and **penalty**) as provided by statute.

Upon Taxpayer's completion of the terms above, the Commissioner agrees to forgo any potential or actual past individual income tax liability, including tax, penalty and interest, that Taxpayer may have for its individual income tax liability in this state incurred prior to the disclosure period.

Both Taxpayer and the Commissioner agree to maintain the confidentiality of this agreement. The parties agree that they shall not disclose the fact of this agreement's existence or any term of the agreement except as required by law.

This agreement is **not** binding on the Commissioner until signed by the Commissioner. Prior to signing the agreement, the Commissioner will review his records to confirm that Taxpayer has not been contacted for audit by the Ohio Department of Taxation, is not under investigation by the Criminal Investigations Division of the Ohio Department of Taxation, and/or has not otherwise been previously contacted by the Ohio Department of Taxation with regard to his/her individual entity tax liability.

All payments and filings must be made contemporaneously with the submission of two (2) signed copies of this agreement. This agreement will not be accepted, or if accepted will be void, if Taxpayer: 1) fails to remit the required payments and filings with the agreement, 2) is not eligible for the Voluntary Disclosure program, or 3) does not substantially comply with terms of the agreement. This includes, but is not limited to, failure to remit interest on amounts due under the agreement, failure to pay any additional amounts found due for the tax years covered by this agreement after the Commissioner's review of the submission, a lack of good faith in the participation of the Voluntary Disclosure program or the execution of this agreement, and/or failure to file tax returns and pay tax in subsequent years.

If the Commissioner does not accept the agreement, or the agreement subsequently becomes void, the Commissioner can issue assessments for all tax and interest due under Ohio law, along with all appropriate penalties and interest penalties.

This agreement is intended to bind the parties in the absence of fraud or material misrepresentation of fact.

\_\_\_\_\_  
Joseph W. Testa, Tax Commissioner

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Taxpayer Signature and Name

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\_\_\_\_\_  
Taxpayer Signature and Name  
(if jointly filing)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date