



VOLUNTARY DISCLOSURE AGREEMENT PASS-THROUGH ENTITY 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 _____ (“Taxpayer”) federal ID number (FEIN) _____. This agreement applies only to Taxpayer’s obligations with regard to the Ohio pass-through entity tax.

The Commissioner has statutory responsibility for administering the Ohio pass-through entity tax.

Taxpayer represents that it is noncompliant with the pass-through entity tax laws of Ohio either because it has not previously registered for Ohio pass-through entity tax purposes and has failed to file pass-through entity tax returns and remit pass-through entity tax to the State of Ohio, or because upon review of its records, it has found that it owes pass-through entity tax obligations to Ohio.

Taxpayer represents that it is not under audit by Ohio for pass-through entity tax and that it has not otherwise been contacted by this Department regarding possible outstanding pass-through entity tax liability. Taxpayer further represents that, to the best of its knowledge, it is not under investigation by the Criminal Investigations Division of the Ohio Department of Taxation.

In exchange for bringing itself to the attention of the Commissioner, voluntary disclosure allows Taxpayer to come into compliance on substantially more favorable terms than it would have faced if discovered to be in noncompliance by the Commissioner. Although Taxpayer agrees to pay interest¹ 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 its tax compliance responsibilities. Accordingly, Taxpayer agrees to the following terms:

1. Taxpayer will disclose to the Commissioner all taxable income or loss during the disclosure period by filing all pass-through entity returns, required to be filed, for each tax year ending within the disclosure period. The disclosure period for this agreement will be 1/1/2012 through 12/31/2015.
2. Taxpayer will make a voluntary payment to the State of Ohio of all pass-through entity tax due during the disclosure period.

¹ The statutory interest rate is 3% for calendar years 2013 and thereafter.

3. Taxpayer will make a voluntary payment to the State of Ohio of interest, which will be calculated on the total amount of pass-through entity tax due. Taxpayer acknowledges that it 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 it is claiming. Taxpayer agrees it cannot carryforward credits generated in years prior to the disclosure period.² 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 taxable year, Taxpayer will file Ohio voucher forms IT 4708ES, and make full payment of all estimated tax due to date, to the extent required by Ohio law.

6. Taxpayer will file the appropriate registration forms with the Secretary of State and become registered in Ohio. Once properly registered, Taxpayer agrees to stay in compliance with the laws of Ohio.

7. Taxpayer agrees that it will not file any amended returns or refund claims for any pass-through entity tax amounts paid to Ohio with respect to the disclosure period as set forth in this agreement, except to the extent permitted in Item 9, below.

8. Taxpayer agrees it will timely file and pay its Ohio pass-through entity tax returns for all future tax periods, to the extent required by Ohio law.

9. Notwithstanding Item 7 above, in the event of IRS adjustments with respect to the pass-through entity tax years covered by this Agreement, Taxpayer will file amended Ohio pass-through entity 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 their 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 pass-through entity tax liability, including tax, penalty and interest, as well as any filing or remittance responsibility that Taxpayer may have for its pass-through entity 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.

² Ohio pass-through entities are not allowed a deduction for any net operating loss carryforwards.

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 its pass-through 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.

The person signing below for Taxpayer knowingly does so with the authority to bind Taxpayer to the terms of this Agreement.

Joseph W. Testa, Tax Commissioner	Signature, Name and Title of Taxpayer's officer or agent
Date	Date