



Tax Alert

New Jersey Offshore Voluntary Compliance Initiative

DECEMBER 2009

In response to the successful efforts of the Internal Revenue Service's (IRS) Offshore Voluntary Disclosure Program that ended earlier this year, the New Jersey Division of Taxation has announced a similar program.

Under the New Jersey Offshore Voluntary Compliance Initiative, taxpayers who come forward and voluntarily report previously undisclosed offshore income and pay the associated tax can avoid virtually all civil penalties, including the 50% civil penalty. The principal exception is that the 5% amnesty penalty and interest charges still apply.

Participation in the New Jersey Offshore Voluntary Compliance Initiative is a multi step process. The first step is done by filing a request with the NJ Division of Taxation by December 31, 2009. The request must contain specific information including an estimate of the tax due and a statement that the taxpayer is willing to pay the tax, 5% amnesty penalty and interest.

Complete details of the program can be found at:

<http://www.state.nj.us/treasury/taxation/offshorecompliance.shtml>

Your Wilkin & Guttenplan advisor can assist you to take advantage of this opportunity.

Any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

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