

131.420 Requirements for amnesty -- Installment payments -- Invalidation of amnesty -- Protests.

- (1) The provisions of KRS 131.400 to 131.445 shall apply to any eligible taxpayer who files an application for amnesty within the time prescribed by the department and does the following:
 - (a) Files completed tax returns for all years or tax reporting periods as stated on the application for which returns have not previously been filed and files completed amended tax returns for all years or tax reporting periods as stated on the application for which the tax liability was underreported, except in cases in which the tax liability has been established through audit;
 - (b) Pays in full the taxes due for the periods and taxes applied for at the time the application or amnesty tax returns are filed within the amnesty period and pays the amount of any additional tax owed within thirty (30) days of notification by the department;
 - (c) Pays in full within the amnesty period all taxes previously assessed by the department that are due and owing at the time the application or amnesty tax returns are filed; and
 - (d) With regard to the program described in KRS 131.400(4)(b), agrees to file all tax returns when due and make all tax payments when due for three (3) years following the date amnesty is granted to the taxpayer.
- (2) An eligible taxpayer may participate in the amnesty program whether or not the taxpayer is under audit, notwithstanding the fact that the amount due is included in a proposed assessment or an assessment, bill, notice, or demand for payment issued by the department, and without regard to whether the amount due is subject to a pending administrative or judicial proceeding. An eligible taxpayer may participate in the amnesty program to the extent of the uncontested portion of any assessed liability. However, participation in the program shall be conditioned upon the taxpayer's agreement that the right to protest or initiate an administrative or judicial proceeding or to claim any refund of moneys paid under the program is barred with respect to the amounts paid under the amnesty programs.
- (3)
 - (a) The department may enter into an installment payment agreement as provided in KRS 131.081(9) in cases of severe hardship in lieu of the complete payment required under subsection (1) of this section.
 - (b) Failure of the taxpayer to make timely payments shall void the amnesty granted the taxpayer.
 - (c)
 1. All agreements and payments under the program described in KRS 131.400(4)(a) shall include interest as provided under subsection (2) of KRS 131.425.
 2. All agreements and payments under the program described in KRS 131.400(4)(b) shall include interest as provided under KRS 131.425(3).
 - (d) All required payments under an installment payment agreement under the program described in KRS 131.400(4)(b) shall be made on or before May 31, 2013.

- (e) 1. If a taxpayer fails to make all required payments under paragraph (d) of this subsection by May 31, 2013, the amnesty received by the taxpayer shall be invalidated, and all civil penalties, fees, and interest waived under the amnesty agreement shall:
 - a. Be reinstated;
 - b. Be subject to immediate collection by the department; and
 - c. Not be subject to protest under KRS 131.110.
 - 2. The department may utilize any remedy allowed by law to recover the amounts reinstated, and no statute of limitations shall apply.
- (4) If, following the termination of the tax amnesty period, the department issues a deficiency assessment based upon information independent of that shown on a return filed pursuant to subsection (1) of this section, the department shall have the authority to impose penalties and criminal action may be brought where authorized by law only with respect to the difference between the amount shown on the amnesty tax return and the correct amount of tax due. The imposition of penalties or criminal action shall not invalidate any waiver granted under KRS 131.410. With the exception of the cost-of-collection fee imposed under subsection (1) of KRS 131.440, all assessments issued by the department under KRS 131.410 to 131.445 may be protested by the taxpayer in the same manner as other assessments pursuant to the terms of this chapter.

Effective: April 11, 2012

History: Amended 2012 Ky. Acts ch. 110, sec. 3, effective April 11, 2012. -- Amended 2005 Ky. Acts ch. 85, sec. 137, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 366, sec. 3, effective July 15, 2002. -- Created 1988 Ky. Acts ch. 322, sec. 3, effective July 15, 1988.