

# Wisconsin Voluntary Disclosure Program

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# Benefits of Voluntary Disclosure

- Written agreement to restrict the statute of limitations.
- Waiver of penalties.
- Possible reduction in number of periods for which returns must be filed.
- Elimination of the risk of being discovered under audit.

# Taxpayer Qualifications

Conditions which must be met for a taxpayer to qualify for voluntary disclosure treatment:

- No tax returns filed for the period in question.
- No registration for the type of tax involved during the period in question.

# Taxpayer Qualifications (cont.)

- No contact by the Department within the last 6 years regarding a registration or filing requirement, or an assessment or audit assignment.

**Note:** Receipt of nexus questionnaires constitutes the commencement of an office audit.

# How to Apply

A taxpayer or the taxpayer's representative may request voluntary disclosure treatment by submitting a **written** request to the Department for consideration.

Taxpayers may remain anonymous throughout the voluntary disclosure process.

# Required Information

- Description of Wisconsin activities for the years involved.
- List of property owned or leased in Wisconsin.
- Taxpayer's taxable year-end.

# Required Information (cont.)

- Date taxable activities began in Wisconsin.
- Whether tax involved has been collected or withheld and for what periods. For sales and use tax purposes, whether tax has been paid to a vendor in error for which a credit is being claimed.

# Required Information (cont.)

- Approximate liability (by tax type) for each of the years involved.
- Prior contacts by the Department of Revenue.
- Other types of tax returns currently being filed with the Department.

# Required Information (cont.)

- Whether the taxpayer is registered to transact business in Wisconsin.
- Taxpayer's entity type. If taxpayer is a single member LLC, electing to disregard, include name and FEIN of the single owner.

# Required Information (cont.)

**Note:** If applying for voluntary disclosure for more than one tax type, **each tax type must be specified** in the written request. For example, a request for voluntary disclosure for income tax does not cover sales tax.

# Taxpayer Responsibilities

- File all returns for the periods agreed upon (usually 4 prior years) within 90 days.
- Pay all tax, late filing fees, and interest according to the agreement.

# Taxpayer Responsibilities (cont.)

- File the current and any subsequent returns in a timely manner according to the agreement.
- Make books and records available to the Department.

# Department Rights

All voluntary disclosure agreements include provisions reserving the Department's right to:

- Audit factual representations made as part of the agreement.
- Audit the taxpayer and any returns filed.

# Department Rights (cont.)

- Void the agreement if factual misrepresentations have been made and assess additional tax, penalties, and interest as appropriate.
- Void the agreement if the taxpayer fails to comply with any terms of the agreement.



**QUESTIONS?**

