I N F O R M A T I O N

Nebraska Voluntary Disclosure Program

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For more information, check our website: revenue.nebraska.gov

Nebraska Department of
REVENUE

The purpose of this information guide is to explain the Voluntary Disclosure Program.

G U I D E

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov to get updates on your topics of interest.

Overview

The purpose of the Nebraska Voluntary Disclosure Program is to encourage any business engaged in multistate commerce to voluntarily resolve any potential Nebraska sales/use tax, income tax, or other miscellaneous Nebraska tax liabilities, if certain criteria apply. This is not an amnesty program.

Nebraska is a member of the Multistate Tax Commission National Nexus Program (MTC/NNP). Any company that is engaged in multistate commerce may contact the MTC/NNP to represent them in voluntarily resolving potential state sales/use tax and income tax liabilities where nexus is the central issue.

The company or their representative may prefer to work directly with the Nebraska Department of Revenue. If so, the following procedures apply.

Who Qualifies?

- Any company who has never filed a tax return with Nebraska for the particular tax type at issue.
- A company who has not been contacted by the Nebraska Department of Revenue prior to initiating the voluntary disclosure process.

How Do You Apply?

Companies interested in knowing more about the Voluntary Disclosure Program may informally contact the Nebraska Department of Revenue. However, the formal request to participate in the program must be a written "statement of facts." In order to remain anonymous when making a formal request, the company may engage a representative (such as a CPA or attorney).

The written "statement of facts" must contain the following information:

7-250-1998 Rev. 1-2008
Supersedes 7-250-1998 Rev. 7-1998

- ✓ A description of the company's business;
- ✓ A description of the company's activities in Nebraska;
- ✓ The date the company started its activities in Nebraska;
- ✓ The type of tax involved;
- ✓ The reasons for the noncompliance with Nebraska tax law;
- ✓ A statement that the company has never filed in the past or has not been contacted by the Nebraska Department of Revenue prior to the request;
- ✓ An estimate of the company's tax potential for the past three years; and
- ✓ The company's proposed terms of settlement.

Reviewing the Voluntary Disclosure Request

Each Voluntary Disclosure Request is considered separately on its own facts. Before a Voluntary Disclosure Agreement is entered into, the department considers the following:

- ✓ The significance and nature of the company's activity, circumstances, and presence which may have established nexus;
- ✓ That the company's noncompliance was not a willful disregard of the tax laws;
- ✓ The company's demonstration of good faith; and
- ✓ The overall benefits of both parties by entering into a Voluntary Disclosure Agreement.

Executing the Agreement

When the department and the company agree to the terms of the agreement, the following responsibilities apply:

- ***Department's responsibilities:***
  - ✓ Prepare the Voluntary Disclosure Agreement;
  - ✓ Provide all necessary forms and tax returns;
  - ✓ Consider waiving all penalty, provided that the company pays all tax and interest;
  - ✓ Calculate the interest due on the tax paid; and
  - ✓ The department agrees not to voluntarily disclose the terms and conditions of the Voluntary Disclosure Agreement to another state.
- ***Company's responsibilities:***
  - ✓ Sign the agreement;
  - ✓ File all applications, returns, or comparable spreadsheets for the tax period and within the specified time agreed upon; and
  - ✓ Pay all the liability for the tax period agreed upon.

Misrepresentation

If the company materially violates the provisions, or misrepresents any of the facts, the Voluntary Disclosure Agreement is null and void.

Inquiries

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