



25 Sigourney Street Ste 2  
Hartford CT 06106-5032

## INFORMATIONAL PUBLICATION

# Connecticut Voluntary Disclosure Program

**Purpose:** To inform taxpayers and tax practitioners about the Department of Revenue Services (DRS) Voluntary Disclosure Program.

**Effective Date:** Effective upon issuance and applicable to all open periods.

**Statutory Authority:** Conn. Gen. Stat. §§12-2, 12-2d, and 12-2e.

**Voluntary Disclosure:** DRS encourages businesses and individuals who are not in compliance with Connecticut tax laws to come forward voluntarily to register or bring their accounts into compliance. If a taxpayer has failed to pay Connecticut taxes, has underreported income or gross receipts on which taxes should be paid, or has not reported transactions subject to Connecticut taxes, the taxpayer may contact DRS to make satisfactory arrangements to bring the taxpayer's account into compliance.

**Benefits of the Program:** Taxpayers who voluntarily disclose nonpayment or underpayment of their taxes may generally be offered favorable terms to pay their back taxes.

The taxpayer must pay the total taxes and interest due for a period determined by the Voluntary Disclosure Agreement entered into with DRS. The taxpayer will benefit by not having a penalty imposed, by receiving a limited look-back period, and by not having to worry about discovery through the state's normal investigative or audit procedures.

**Confidential Inquiries:** Taxpayers wishing to know more about the Voluntary Disclosure Program may contact DRS anonymously. DRS will not in any way seek to identify those taxpayers who wish to remain unidentified. Confidential inquiries can be made by calling **860-541-3274** from 8:30 a.m. to 4:30 p.m., Monday through Friday or by sending an email to [voluntary.disclosure@po.state.ct.us](mailto:voluntary.disclosure@po.state.ct.us).

**How to Apply:** To participate in the program taxpayers must submit a written request to DRS. To remain anonymous when sending the request, the taxpayer may engage a representative such as a tax preparer, accountant, or attorney.

The written request must include:

- Type of tax involved;
- Description of the applicant's activities in the state;
- Starting date of the applicant's activities in the state;
- Reasons for noncompliance with Connecticut tax laws;
- Amount of potential tax liability; **and**
- An admission of liability for the tax type at issue. A taxpayer may not use the Voluntary Disclosure Program to circumvent the ruling process or to raise any issues regarding the applicability of a tax to a particular set of facts or circumstances including nexus determinations.

To apply to the Voluntary Disclosure Program, the taxpayer may mail a written request to:

Department of Revenue Services  
State of Connecticut  
Voluntary Disclosure  
25 Sigourney Street Ste 2  
Hartford, CT 06106

or email a written request to:  
[voluntary.disclosure@po.state.ct.us](mailto:voluntary.disclosure@po.state.ct.us)

**Acceptance Into the Program:** Each written request to participate in the Voluntary Disclosure Program is considered on its own merits.

DRS considers the following criteria related to the taxpayer's previous presence and activity in Connecticut and compliance with the tax laws of the state:

- Nature and magnitude of such presence and activity and circumstances by which nexus may have been established;
- Demonstration of taxpayer exercising reasonable care to determine that such activities and presence were or were not subject to taxation;

- Evidence that taxpayer's noncompliance was not in willful disregard of Connecticut tax laws;
- Demonstration of good faith by the taxpayer;
- Benefits to the state by entering into a voluntary disclosure agreement with the taxpayer; **and**
- Whether the taxpayer has collected any taxes.

After review of the written request, DRS will notify the taxpayer or the taxpayer's representative whether the request was accepted, denied, or requires additional information. If accepted, the taxpayer will receive an acceptance letter (agreement) outlining what has been agreed to.

**Responsibilities of the Taxpayer:** To participate in the Voluntary Disclosure Program, the taxpayer must:

- File all returns or comparable worksheets for the period(s) agreed upon;
- Pay all tax and interest for the period(s) agreed upon;
- Agree to make books and records available to DRS; **and**
- Waive all rights to request a refund based on a lack of nexus or contacts with Connecticut. (This is not a waiver of refunds based on computational or clerical errors.)

**Disqualification:** A taxpayer may be disqualified and any agreement rendered null and void if any one of the following is discovered:

- There was a previous contact of any kind by DRS;
- Misrepresentation of any facts set forth in the written request; **or**
- Failure by the taxpayer to comply with the terms of the agreement.

**Confidentiality of Voluntary Disclosure Program:** DRS will not volunteer any information obtained under the Voluntary Disclosure Program nor discuss the terms and conditions of the voluntary disclosure agreement with any other jurisdiction's taxing authority or the Internal Revenue Service (IRS).

**Continuation of Agreement:**

- Any modification to the agreement must be in writing with the mutual consent of the agreeing parties.
- DRS retains the right to verify all information submitted under the Voluntary Disclosure Program including the taxpayer's determination of its tax liability.

**Effect on Other Documents:** This Informational Publication modifies and supersedes **Announcement 98(2)**, *Connecticut Voluntary Disclosure Program*.

**Effect of This Document:** An Informational Publication issued by DRS addresses frequently-asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

**Forms and Publications:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms and publications.

**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at [www.ct.gov/TSC](http://www.ct.gov/TSC) to file a variety of tax returns, update account information, and make payments online.

**File Electronically:** You can choose first-time filer information and filing assistance or log directly into the **TSC** to file returns and pay taxes.

**Pay Electronically:** You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

**DRS E-Alerts Service:** Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and select *e-alerts* from the left navigation bar.