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Subject: Operation Clean Slate: Alabama Temporarily Waiving Penalties for Delinquent Tax Filers

**OFFICE OF GOVERNOR BOB RILEY
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Revenue Commissioner Tim Russell and Governor Bob Riley announce Operation Clean Slate at a news conference in the State Capitol.

Operation Clean Slate: Alabama Temporarily Waiving Penalties for Delinquent Tax Filers

MONTGOMERY – Governor Bob Riley and Revenue Commissioner Tim Russell announced today the Revenue Department will temporarily waive penalties and will not seek criminal prosecutions for delinquent tax filers who come forward and pay what they owe in state taxes.

The effort, called Operation Clean Slate, runs from February 1 through May 15. During this period, individuals and businesses that voluntarily come forward and file past-due returns or amend their returns to properly report their tax liabilities will be granted leniency, provided they are not already under investigation, nor have been contacted by the Department as to their proper tax liability. This program is available, but not limited, to Individual and Corporate Income taxes, Business Privilege Tax, and if unregistered with the department, Sales Tax and Use Tax.

“This is a brief window of opportunity for those who aren’t paying their taxes to get right with the law,” said Governor Riley. “Take advantage of this offer because it won’t last long.”

When the temporary reprieve ends, the Revenue Department will bring online a new, \$26 million computer system that will increase the Department’s ability to identify those who are not paying taxes or who are under-reporting the taxes they owe.

“There are some who are not paying what they owe. That isn’t fair to the millions of taxpayers who do,” Governor Riley said. “Those who are not paying what they owe are breaking the law. And with the help of a new state-of-the-art computer system that is coming online, it is about to get a lot easier to catch them. The likelihood they will get caught is about to increase tremendously.”

The usual penalties for failing to file returns or failing to pay the tax due will not be imposed during this limited period of time. The Department will also not seek to impose the civil penalty for underpayment due to negligence nor the penalty for fraud for those taxpayers who correct their situations by filing or amending their returns and paying the proper amount due before May 15. Finally, the Department will not seek any criminal penalties for failure to pay taxes for those who come forward and pay by the deadline.

Those who want to take advantage of Operation Clean Slate can send their delinquent or amended tax returns to the Department of Revenue, P.O. Box 327010, Montgomery, AL 36132-7010. Those with questions can contact the department at cleanslate@revenue.alabama.gov or at (334) 242-1055. A toll free phone number will be published within the next few days.

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For more information, contact the Governor’s Press Office at 334-242-7150.