

Instructions for Form 6750 Alaska Application for Voluntary Disclosure

Introduction

The purpose of the Department of Revenue's (DOR) Voluntary Disclosure Program (VDP) is to encourage corporations and other business entities that may have incurred an unpaid Alaska income tax liability and/or have an unfulfilled tax return filing requirement to disclose their liability voluntarily. Qualified business entities that choose to participate in the VDP will be required to disclose their Alaska tax liability only for the immediately preceding five income years. DOR may waive penalties associated with the return filings.

General Information

AS 43.05.010 and AS 43.05.080 permit the DOR to enter into voluntary disclosure agreements with any qualified business entity in order to obtain voluntary compliance with the tax laws of the State of Alaska. Qualified business entities that participate in the VDP are required to file returns for the five income years ending immediately prior to the date the agreement is signed. DOR may waive penalties associated with the return filings. Interest may not be waived pursuant to Alaska Statute.

As part of the agreement, DOR will waive its authority to assess taxes, additions to taxes, or penalties for the income years ending prior to the five income years covered by the voluntary disclosure agreement.

Taxpayers participating in the voluntary disclosure program are required to remit returns within 60 days of the voluntary disclosure agreement being executed.

Qualified Business Entities

Only qualified business entities are eligible to participate in the Voluntary Disclosure Program. A "qualified business entity" is an entity that meets all of the following criteria. It must:

- Be a corporation, entity taxed as a corporation, S corporation, partnership, or limited liability company;
- Have never filed a return with the DOR;
- Have not been the subject of an inquiry by the DOR with respect to liability for income taxes; and
- Have voluntarily come forward, prior to any unilateral contact from the DOR, and completed both an application for voluntary disclosure agreement and a full and accurate statement of its activities in Alaska for the five immediately preceding taxable or income years.

Penalties Waived

If the qualified business entity fully complies with the voluntary disclosure agreement, the DOR may not assess any or all of the following penalties for the income years covered by the agreement:

- AS 43.05.220(a) – failure to make and file a return;
- AS 43.05.220(a) – failure to pay tax;
- AS 43.05.220(b) – negligence or intentional disregard;
- Internal Rev. Code §6655 failure to pay estimated tax;
- Internal Rev. Code §6698 – failure to file a partnership return; and/or
- Internal Rev. Code §6699 – failure to file an S-corporation return.

Violation of the Agreement

Certain events will nullify the voluntary disclosure agreement if the qualified business entity:

- misrepresents material facts relevant to the agreement;
- fails to file returns or pay taxes for the periods covered by the agreement;
- reneges on an installment payment arrangement;
- understates the tax liability for any year covered by the agreement and cannot show good faith effort to accurately compute the tax liability; or
- fails to continue to comply with Alaska tax law.

Common Forms

Form 6000 Corporate Net Income Tax Return (standard)
Form 6100 Oil & Gas Corporate Net Income Tax Return
Form 6900 Partnership Information Return

You may download, view, and print Alaska income tax forms and publications listed above. Our internet address is:

<https://tax.alaska.gov>

You may call the number below or send an email request if you would like the forms sent to you by mail.

Need Help? Contact us at 907-269-6620 or email dor.tax.disclosure@alaska.gov.

Instructions for Filing Form 6750 Application for Voluntary Disclosure

Completing the Form

Qualified business entities that choose to participate in the Voluntary Disclosure Program must use Form 6750, Application for Voluntary Disclosure, to apply. To remain anonymous, program applicants may have a representative contact the Department of Revenue at dor.tax.disclosure@alaska.gov. Company representatives should not reveal the name of the company or any information that could readily identify the company to the DOR until the agreement is executed. DOR will assign program applicants an identifying number, such as VDA 16-01, which should be used in subsequent correspondence once DOR receives the application.

Part I

Enter the name, address, and phone number of the qualified business entity's representative. The representative must be authorized to represent the entity in the Voluntary Disclosure Program. Note: You are not required to disclose the name, address or telephone number of the entity choosing to participate in the VDP on the application. The entity may remain anonymous until the agreement is executed.

Part II

1. Indicate the type of business entity applying to participate in the Voluntary Disclosure Program.

2. State each tax year to be covered by the agreement.

3. Answer the questions in Part II. If the entity answers yes to any of the questions in Part II, stop. The entity does not qualify to participate in the Voluntary Disclosure Program.

Part III

Include the following information in Exhibit 1:

- a description of the entity's business activities;
- the facts giving rise to the offer to enter into the Voluntary Disclosure Program;
- the settlement terms proposed; and
- the number of corporate partners or members if the entity applying for VDP is an LLC or is a partnership. Note: partnerships or LLCs that have only individual partners/members, are not required to file in Alaska and are not eligible to participate in the VDP.

Part IV

On Exhibit 2, include a statement with your estimate of taxes due. Show the estimate by year, along with the accompanying computations.

Part V

An authorized representative must sign the application.

The Department of Revenue will contact the representative if additional information is required. DOR may accept the entity's proposed settlement, modify the proposed settlement, or reject the proposed settlement based on the information available.

If DOR determines that there are any material misstatements of fact or tax liability, or the entity fails to file any returns or pay any tax as required by the agreement, the voluntary disclosure agreement will be null and void.

Note: At present, the VDP is only available for corporate net income tax.