

State Tax Observations

Connecticut's Tax Amnesty Program is Open for Enrollment

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The Connecticut 2021 Tax Amnesty Program (Amnesty Program) has been launched. It offers taxpayers the opportunity to pay back taxes with a 75% reduction of interest owed, an elimination of civil penalties, and an elimination of any potential criminal prosecution. The Amnesty Program covers tax years ending on or before December 31, 2020.

As [we reported](#) in July, the Amnesty Program, which was part of Connecticut's budget legislation, is available for both businesses and individuals. It runs through January 31, 2022. It covers all taxes administered by the Department of Revenue Services (DRS) other than the Connecticut motor carrier road tax or the international fuel tax agreement (IFTA).

Those eligible for the Amnesty Program include individuals and businesses generally excluded from Connecticut's voluntary disclosure program (VDP) for having previously been contacted by DRS, such as those currently under DRS audit for periods ending on or before December 31, 2020, those with a protest pending before DRS's Appellate Division, and those currently pursuing civil litigation with DRS.

Taxpayers seeking amnesty can enroll in the program and pay taxes through a secure online portal via the Amnesty Program [website](#). As a point of emphasis, **tax amnesty applications must be filed electronically and payments made in full by January 31, 2022.**

After the Amnesty Program deadline, all individuals and businesses with unresolved tax liabilities will be subject to the full interest rate, penalties and possible criminal prosecution.

Observations

While the Amnesty Program offers taxpayers an opportunity to pay back taxes with reduced consequences, those taxpayers eligible for the VDP should "crunch the numbers" to determine if they might be better off pursuing an agreement under the VDP. VDP agreements are available during and after the amnesty period.

For example, in contrast to the VDP, the Amnesty Program does not include a limited look-back provision. All open years of tax must be paid under the Amnesty Program, although with only 25% of the applicable interest. Penalties are eliminated under both programs.

Further, while after the Amnesty Program deadline all tax interest and penalties may be assessed, taxpayers in many circumstances may still be able to participate in Connecticut's VDP.

Contact Us

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