

## Blog Post

# New Jersey Tax Amnesty is Underway

December 17, 2018

New Jersey's Tax Amnesty, launched by the New Jersey Division of Taxation on November 15, 2018, is a limited-time opportunity for taxpayers to settle certain New Jersey tax obligations with reduced interest and abated penalties.

Taxpayers participating in New Jersey's Tax Amnesty program will pay the amount of tax owed and one-half of the balance of the interest due (as of November 1, 2018) without penalties or collection fees. New Jersey will impose an additional 5% amnesty penalty on taxpayers who are eligible for amnesty but fail to participate; this amnesty penalty cannot be waived or abated. The amnesty period began November 15, 2018 and ends January 15, 2019. All payments of tax and interest under the amnesty program must be received by New Jersey before midnight on January 15, 2019.

Amnesty is available only for taxes that are administered and collected by the New Jersey Division of Taxation. Accordingly, local property taxes, federal taxes, and payroll taxes owed to the New Jersey Department of Labor are ineligible for this program. Amnesty is available for eligible tax liabilities incurred for tax returns due on or after February 1, 2009, and prior to September 1, 2017. New Jersey business taxes eligible for amnesty include corporation business tax, sales and use tax, cigarette tax, and Atlantic City casino taxes. For individuals, New Jersey personal income tax and inheritance and estate taxes are eligible for amnesty.

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Participation in the amnesty program will not increase or decrease a taxpayer's chances for audit selection, and tax liabilities paid under the amnesty program remain subject to verification and assessment.

Almost all taxpayers, both businesses and individuals, are eligible for New Jersey's Tax Amnesty. Taxpayers currently subject to wage garnishment, bank account levy, asset seizure, or filed judgments are eligible for amnesty. Taxpayers under criminal investigation or charged in connection with a New Jersey tax matter are ineligible for amnesty. A New Jersey tax assessment that is the subject of an administrative or judicial appeal is ineligible for amnesty, unless the appeal is withdrawn, all rights to future appeal are waived, and New Jersey approves of the taxpayer's participation in the program.

Information in this communication is intended to inform clients and friends about legal and tax developments, including recent decisions of various courts and administrative bodies. This communication should not be construed as legal or tax advice, or a legal or tax opinion, and readers should not act upon the information contained in this communication without seeking the advice of legal counsel or advice from a tax advisor.