



POLICY CONCERNING ONE-TIME COURTESY PENALTY WAIVER PROGRAM

- I. To promote the goal of being a business-friendly community, the Georgetown-Scott County Revenue Commission (hereafter referred to as GSCRC) delegates the authority to the Executive Director of GSCRC to authorize a one-time courtesy penalty waiver for all new account holders.
- II. The intent of this program is to provide a one-time courtesy penalty waiver to newly registered Georgetown-Scott County business accounts that may not be fully aware of all applicable filing procedures and deadlines in the jurisdiction.
- III. For purposes of this policy and program, “new account holders” is defined as follows.
 - a. This policy considers a “new account holder” to be those taxpayers who have registered a business account with GSCRC no more than one year prior to submitting a waiver request.
 - i. The one year period to be used for determining eligibility will be the designated accounting period for the taxpayer account. Specifically, either a calendar year or fiscal year will be used to establish the look-back window for applicability of this policy.
 - ii. All returns and/or filings pertaining to the first year of business activity conducted in the jurisdiction will be eligible for the first-time abatement request. This means that any return due after the first year of operation (i.e. Net Profit License Tax Return or Reconciliation of License Tax Withheld) would be eligible for the first-time waiver because the return was related to the first year of business activity conducted in the jurisdiction.
- IV. All eligible accounts may submit a First-Time Penalty Abatement Request Form to GSCRC if they should incur a penalty for failure to file, failure to pay or underpayment of taxes owed or for submitting a late return/form during the first year of operation in the jurisdiction.
- V. In order to be eligible for this first-time penalty waiver of the return/form in question must be submitted within 24 months of the first year of operation.
 - a. *For example, if a business operates on a calendar year and begins operation on January 1, 2018 and does not submit the 2018 Net Profit License Tax Return until January 1, 2022 they could not use their first-time waiver.*
 - i. *In this case, the return would be due April 15, 2019 (with a proper extension request October 15, 2019) so submission on January 1, 2022 exceeds the 24 month period after operation for the first year.*

ii. If in the same fact pattern above, the taxpayer submitted the delinquent return on January 1, 2020 then the first-time waiver would be applicable because the return was submitted before the end of the 24 month period.

- VI. The first-time penalty waiver shall not exceed more than \$75.00.
 - a. It is the policy of GSCRC to apply a minimum late filing penalty on all late returns or for returns submitted without proper payment of \$25.00 per applicable jurisdiction.
 - b. If payment is not made within 30 days after notice of the delinquency is mailed, the return will then be assessed at 5% of the tax owed per month up to 25% maximum per local ordinance.
- VII. The first-time penalty waiver will only apply to the amount of the first notice of delinquency received therefore the maximum penalty to be “forgiven” is \$75.00 (depending on what jurisdictions the taxpayer this subject to this amount may vary.)
- VIII. If the return in question accumulates additional penalties beyond the minimum imposed by GSCRC, then by submitting a First-Time Penalty Abatement Request Form, the taxpayer can request the value of the first-time penalty waiver be used to off-set the late filing penalties that accumulate (value of the taxpayer waiver is determined by what jurisdictions the taxpayer is subject to (Georgetown, Scott County and Scott County Schools.)
- IX. The first-time penalty waiver privilege can only be used for one delinquency and/or filing for one specific period/form.
- X. The first-time penalty waiver does not mitigate the accumulation of interest at 1% per month for all delinquent returns.
- XI. The First-Time Penalty Abatement Request Form will act as acknowledgment that this courtesy privilege has been utilized and cannot be used for additional delinquencies or penalties that may accrue after the form is submitted.
- XII. The first-time penalty waiver is not transferrable to subsequent years or other accounts.
- XIII. The value of the first-time penalty waiver is not transferrable to any other delinquent filings.