

Opportunity for Arizona Tax Recovery

From September 1 through October 31, 2015, Arizona will offer Tax Recovery -- an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty, interest or criminal prosecution for those who qualify. Because October 31, 2015 falls on a Saturday, Tax Recovery applications and returns must be received and paid in full by Monday, November 2, 2015 in order to qualify for the Tax Recovery Program.

The following taxes are included in the Tax Recovery Program:

- Individual Income,
- Corporate Income,
- Transaction Privilege (Sales), and
- Use Tax.

Non program city taxes are NOT included.

All taxes that are due on an annual basis may request tax recovery for any tax year ending before January 1, 2014. For example, an individual that files on a calendar year basis may request tax recovery for tax years through 2013.

All other taxpayers may request tax recovery for any tax period ending before February 1, 2015.

Tax Recovery Tax Returns MUST be accompanied by the Tax Recovery Application form, and MUST be received and paid in full by November 2nd in order to qualify for the Tax Recovery Program.

[Tax Recovery Application Form](#)
[Tax Recovery Application Form Instructions](#)
[Arizona Tax Recovery Individual Gross Income Tax Return](#)

What is Tax Recovery Program?

This program allows you to settle your tax bill at the lowest possible cost.

If you are granted tax recovery, the Department will waive or abate civil penalties and interest that were or could have been assessed for the periods covered by the application.

If tax recovery is granted, no civil, administrative, or criminal actions will be brought against you for the periods covered by the application.

The Arizona Tax Recovery Program (SB 1471, Section 19) of the 1st Regular Session of 2015 Arizona Legislature was signed into law by Governor Douglas Ducey and authorizes the Department of Revenue to establish a Tax Recovery Program.

Who is Eligible?

Both individuals and businesses that owe back taxes may apply for the Tax Recovery Program. This includes non-resident and part-year resident individuals, as well as out-of-state businesses.

- Taxpayers who have an existing liability for tax due and received a billing or tax notice from the Department
- Those who failed to file a tax return that was due during the periods covered under the Tax Recovery Program
- Taxpayers who failed to report all income or all tax and associated interest and penalties that were due
- Taxpayers who claimed incorrect credits or deductions
- Taxpayers who misrepresented or omitted any tax due
- Non-residents or part-year residents who received income that may be taxable in Arizona
- Out-of-state and multi-state businesses
- Taxpayers who are under audit and that audit has not become final

Who Is Not Eligible?

You are not eligible if any of the following apply to the requested period.

A taxpayer is not eligible if any of the following apply:

- They are a party to any criminal proceeding with respect to any tax imposed by any law of Arizona and required to be collected by the Department that is pending on January 1, 2015 for:
 - Failure to file
 - Failure to pay
 - Fraud
- They are considered a party to a criminal proceeding with respect to these items if any of the following apply:
 - They are under criminal investigation.
 - They are involved in an administrative proceeding relating to criminal activity.
 - They are a party to criminal litigation in any United States or Arizona court.
- They have been the subject of a past tax-related criminal investigation, indictment or prosecution that resulted in a conviction, a guilty plea or a plea of no contest.
- They have been convicted of a crime relating to any period or assessment of a tax that is the basis of the penalty or interest with respect to which tax recovery is sought.
- They are a party to a closing agreement with the Department for the t