
Appendix B: Additional Taxes and Changes to Amnesty Participant Exclusions

The 2002-03 tax amnesty program included additional taxes that were not part of the 1996-97 tax amnesty. The reason for including many of these taxes in this amnesty is because they are taxes that have been repealed, or they are in the process of being phased out. These taxes include:

- §186 Franchise Tax on water, gas, electric, steam, heating and lighting
- §186-b The MTA Surcharge on §186
- §189 Privilege Tax on Importation of Gas Services for Consumption
- §189-a MTA Surcharge on §189
- §189-b State Surcharge on §189
- Article 24 Tax on Lubricating Oil
- Article 26-B The Generation Skipping Transfer Tax
- Article 31-B Real Property Gains Tax

The other taxes that were added to this amnesty program were included for various reasons. In several cases, these taxes were not included in the previous amnesty simply because the legislation enacting the 1996-97 amnesty program mirrored the act creating the 1985 amnesty.

The §183-a MTA Surcharge on §183 was inadvertently excluded in 1985.

The Generation Skipping Tax was added to the federal code in 1990, and as a result, it was not included in the first amnesty.

The Article 33-A Tax on Independently Procured Insurance was not in effect at the time of the first amnesty in 1985.

The Excise Tax on Telecommunication Services (§186-e) was included, taking the place of §186-a which was included in prior amnesties. Section 186-e was not in effect at the time of the first amnesty. It was not included in the second amnesty because it became effective for periods after the eligibility period.

The Tax on Unrelated Business Income (Article 13) was added to extend amnesty to non-profit entities who owe tax on unrelated income.

The 2002-03 amnesty also differed from prior amnesties with regard to participant exclusions.

Corporations with more than 500 United States employees were excluded from amnesty for certain business taxes in past amnesty programs. The 2002-03 amnesty expanded this exclusion to all applicable taxes.

Corporations supervised by the Public Service Commission had been excluded from prior amnesties because it was thought that regulated utilities were not likely participants. Deregulation and the elimination/reduction of gross receipts taxation suggests that equitable treatment provide for amnesty to such companies. The practical effect of this change is to make eligible some small, traditional telecommunications businesses and water companies.

Aviation corporations were also excluded from the first and second amnesties because of a controversy surrounding the tax status of interstate aviation. The controversy has been resolved and aviation companies are subject to the general corporate franchise tax. As such, there is no longer a reason to exclude them from participation.