
Appendix F: Estimates of Accelerated Revenue and Net Penalty and Interest Waived

The following tables in this appendix show the reported items used in calculation of accelerated revenues.

The columns in block A show the composition of certain amnesty revenues. Included in this analysis are only those amnesty responses associated with an existing assessment or open audit. Returns from applicants for tax liabilities previously unknown to the Department are excluded from the analysis as these amounts could not be said to have been shifted from some other probable time of collection.

The columns in block B are estimates, based on tax type and age of liabilities, of how much tax, interest and penalty would have been projected to be collected during the period had there been no amnesty. These estimates are based upon the normal historical collection percentages for Tax Department receivables. Because a portion of the interest was waived, projected interest is split proportionately.

Tax and non-waivable interest accelerated in block C is the difference obtained by subtracting the projected amounts from the actual amounts collected. Accelerated (or decelerated) revenues are the sum of the tax and non-waivable interest for applications granted amnesty and the sum of tax plus total interest and penalty for applications denied amnesty. Because collections from liabilities incurred more than ten years ago were overwhelmingly larger than historical patterns, the estimates were reduced by amounts associated with liabilities from 1993 or prior years.

Interest and penalty forgone are defined as the amount of interest and penalty that the Tax Department would have expected to collect in the absence of amnesty. This includes the waivable interest portion of the projected interest in block B and the projected penalty associated with the projected tax liability. Note that, unlike tax and non-waivable interest where the estimate is the difference between actual and projected, here the projected amounts are the estimate, because these amounts that were waived are associated with tax and interest that would have been collected, absent amnesty.

Because the forgone amounts would otherwise have been collected except for amnesty, but as a result of amnesty were not in fact collected, they must be subtracted from the gross amounts the Department was required to waive under amnesty in order to arrive at a net figure.

The net penalty waived and net interest waived are the gross amounts in the tables following in Appendix G, reduced by the estimated forgone amounts from years ending in 1994 and later, and by gross amounts associated with liabilities from 1993 and earlier.

Accounts Receivable (AR) Inventory - Taxpayers Granted Amnesty (by tax article)

Tax Article	(A) Amnesty AR Revenue				(B) Projected 2002 AR Revenue /1				(C) Accelerated and Decelerated AR Revenue and Amnesty Effect			
	Tax	Interest	Interest Waived	Penalty Waived	Tax	Interest (Non-Waivable)	Interest (Waivable)	Penalty	Tax /2	Interest (Non-Waivable) /2	Interest Forgone /3	Penalty Forgone /4
Personal Income Tax (Articles 16, 22)	63,211,402	31,231,812	29,783,490	30,248,522	14,105,922	3,283,991	2,378,172	5,627,459	49,105,480	27,947,821	2,378,172	5,627,459
Withholding Tax (Article 22)	8,876,111	3,931,281	4,832,065	8,149,401	1,262,584	363,244	310,740	1,070,901	7,613,527	3,568,037	310,740	1,070,901
Corporation Franchise Tax (Article 9-A)	3,334,083	2,431,226	2,718,576	7,363,462	527,966	411,523	352,065	1,362,935	2,806,117	2,019,703	352,065	1,362,935
Corporation Tax (Article 9)	229,052	183,217	160,111	223,742	13,186	12,524	9,879	46,888	215,866	170,693	9,879	46,888
Petroleum Business Tax (Article 13-A)	20,547	11,464	5,452	7,608	2,999	313	134	63	17,548	11,151	134	63
Unincorporated Business Tax (Articles 16-A, 23)	858	2,144	2,325	297	0	0	0	0	858	2,144	0	0
Sales and Use Tax (Articles 24, 28, 28-A, 29)	44,179,304	26,125,037	99,205,479	50,294,384	6,786,932	2,577,612	3,679,173	3,526,346	37,392,372	23,547,425	3,679,173	3,526,346
Motor Fuel Tax (Article 12-A)	32,102	15,441	15,946	10,513	4,805	1,316	1,104	0	27,297	14,125	1,104	0
Combined Petro Business/Motor Fuel Tax (Articles 12-A, 13-A)	55,333	7,431	2,898	42,619	22,050	3,243	1,245	5,951	33,283	4,188	1,245	5,951
Highway Use Tax (Article 21)	290,526	196,526	124,712	146,750	24,510	8,089	3,890	8,604	266,016	188,437	3,890	8,604
Estate Tax (Article 26)	1,127,494	997,517	706,106	718,384	183,606	196,607	110,348	135,347	943,888	800,910	110,348	135,347
Gift Tax (Article 26-A)	87,488	59,635	42,778	66,089	29,330	18,209	9,224	21,209	58,158	41,426	9,224	21,209
Real Property Gains Tax (Article 31-B)	778,060	734,620	613,935	417,858	1,796	10,896	73,668	7,803	776,264	723,724	73,668	7,803
Independent Procured Insurance Tax (Article 33-A)	284	976	602	3,227	284	904	504	2,672	0	72	504	2,672
Unrelated Business Income Tax (Article 13)	11,330	7,490	4,672	17,218	2,792	2,299	1,321	5,034	8,538	5,191	1,321	5,034
Corporation Franchise Tax MTA Surcharge (Article 9-A)	561,881	323,863	283,828	766,166	97,305	58,541	42,844	171,670	464,576	265,322	42,844	171,670
Corporation Tax MTA Surcharge (Article 9)	4,475	7,065	6,189	8,853	101	314	242	2,213	4,374	6,751	242	2,213
Total for All Years									99,734,162	59,317,120	6,974,553	11,995,095
Amounts from 1993 and Prior Years									20,170,275	31,936,116	1,402,676	236,515
Net Accelerated Revenue and Amounts Forgone									79,563,887	27,381,004	5,571,877	11,758,580

Settlement of In-Process Audits - Taxpayers Granted Amnesty (by tax article)

Tax Article	(A) Amnesty Revenue from In-Process Audits				(B) Projected 2002 First Year Audit Revenue /1				(C) Accelerated and Decelerated Audit Revenue and Amnesty Effect			
	Tax	Interest	Interest Waived	Penalty Waived	Tax	Interest (Non-Waivable)	Interest (Waivable)	Penalty	Tax /2	Interest (Non-Waivable) /2	Interest Forgone /3	Penalty Forgone /4
Personal Income Tax (Articles 16, 22)	76,927,421	13,257,029	6,589,601	17,709,084	53,079,958	9,149,213	4,546,408	12,219,576	23,847,463	4,107,816	4,546,408	12,219,576
Withholding Tax (Article 22)	352,449	162,687	237,956	693,405	228,182	101,100	147,518	429,899	124,267	61,587	147,518	429,899
Corporation Franchise Tax (Article 9-A)	17,371,661	5,580,335	2,612,220	1,091,678	14,592,190	4,687,491	2,194,264	917,007	2,779,471	892,844	2,194,264	917,007
Corporation Tax (Article 9)	7,581,763	1,842,261	727,357	828,676	5,003,963	1,215,890	480,054	546,923	2,577,800	626,371	480,054	546,923
Petroleum Business Tax (Article 13-A)	42,383	7,166	2,638	11,927	40,265	6,806	2,506	11,331	2,118	360	2,506	11,331
Sales and Use Tax (Articles 24, 28, 28-A, 29)	35,696,985	8,727,151	7,786,052	6,227,063	28,775,917	6,736,148	5,605,634	4,497,531	6,921,068	1,991,003	5,605,634	4,497,531
Motor Fuel Tax (Article 12-A)	26,500	4,448	1,647	0	23,362	3,970	1,450	0	3,138	478	1,450	0
Highway Use Tax (Article 21)	654,157	126,515	58,845	7,394	503,695	97,412	45,304	5,693	150,462	29,103	45,304	5,693
Estate Tax (Article 26)	1,326,550	461,653	231,799	0	981,645	341,632	171,530	0	344,905	120,021	171,530	0
Gift Tax (Article 26-A)	13,000	2,374	1,078	0	1,690	308	140	0	11,310	2,066	140	0
Corporation Franchise Tax MTA Surcharge (Article 9-A)	2,869,369	826,888	388,640	375,632	2,410,272	694,643	326,457	315,531	459,097	132,245	326,457	315,531
Corporation Tax MTA Surcharge (Article 9)	854,442	186,348	79,790	75,411	563,929	122,986	52,659	49,770	290,513	63,362	52,659	49,770
Total for All Years									37,511,612	8,027,256	13,573,924	18,993,261
Amounts from 1993 and Prior Years									547,686	556,154	1,412,975	255,924
Net Accelerated Revenue and Amounts Forgone									36,963,926	7,471,102	12,160,949	18,737,337

/1 Projected revenue (B) is based on the liabilities reported in (A) multiplied by historical collection percentages.

/2 (C), the remainder of (A) - (B), represents accelerated and decelerated revenue. The "amnesty effect" includes AR revenue that taxpayers would not have remitted in the absence of amnesty.

/3 Interest forgone is defined as the additional amount of interest the Department could have expected to collect from interest waived (A) in the absence of the 2% reduced rate of interest for taxpayers granted amnesty (waivable interest (B)).

/4 Penalty forgone is defined as the amount of penalty the Department could have expected to collect from the penalty waived (A) in the absence of amnesty (penalty (B)).

Accounts Receivable (AR) Inventory - Taxpayers Denied and Ineligible for Amnesty (by tax article)

Tax Article	(A) Amnesty AR Revenue			(B) Projected 2002 AR Revenue /1			(C) Accelerated and Decelerated AR Revenue and Amnesty Effect /2		
	Tax	Interest	Penalty	Tax	Interest	Penalty	Tax	Interest	Penalty
Personal Income Tax (Articles 16, 22)	13,036,095	4,018,221	2,073,515	12,335,278	5,395,331	3,383,260	700,817	(1,377,110)	(1,309,745)
Withholding Tax (Article 22)	3,071,558	527,937	506,830	2,156,527	880,980	858,280	915,031	(353,043)	(351,450)
Corporation Franchise Tax (Article 9-A)	1,262,573	383,917	307,400	2,566,052	835,175	1,155,096	(1,303,479)	(451,258)	(847,696)
Corporation Tax (Article 9)	82,762	39,207	11,674	13,875	11,013	2,790	68,887	28,194	8,884
Petroleum Business Tax (Article 13-A)	2,508	821	0	2,374	1,207	118	134	(386)	(118)
Unincorporated Business Tax (Articles 16-A, 23)	0	0	0	0	0	0	0	0	0
Sales and Use Tax (Articles 24, 28, 28-A, 29)	12,221,023	4,677,779	1,193,328	11,069,000	6,779,430	3,152,360	1,152,023	(2,101,651)	(1,959,032)
Motor Fuel Tax (Article 12-A)	0	0	0	8,944	4,670	2,504	(8,944)	(4,670)	(2,504)
Combined Petro Business/Motor Fuel Tax (Articles 12-A, 13-A)	0	0	0	29	66	0	(29)	(66)	0
Beverage Container Tax (Article 18-A)	0	918	0	0	0	0	0	918	0
Highway Use Tax (Article 21)	23,108	10,513	3,072	90,002	42,808	3,376	(66,894)	(32,295)	(304)
Estate Tax (Article 26)	86,749	45,884	57,594	54,683	102,880	25,943	32,066	(56,996)	31,651
Gift Tax (Article 26-A)	8,421	1,306	0	19,527	10,932	6,187	(11,106)	(9,626)	(6,187)
Real Property Gains Tax (Article 31-B)	25,346	7,380	3,469	20,144	37,992	2,163	5,202	(30,612)	1,306
Unrelated Business Income Tax (Article 13)	13	58	214	0	32	199	13	26	15
Corporation Franchise Tax MTA Surcharge (Article 9-A)	65,384	32,636	36,714	355,026	101,460	140,692	(289,642)	(68,824)	(103,978)
Corporation Tax MTA Surcharge (Article 9)	0	0	0	373	642	163	(373)	(642)	(163)
Cigarette Tax (Articles 20, 20-A)	775	0	0	0	0	1,106	775	0	(1,106)
Corporation Tax (Articles 9, 9-B, 9-C, 13, 32, 33)	1,725	1,049	332	149	570	277	1,576	479	55
Fuel Use Tax (FTA) (Articles 13-A, 21-A)	1,347	0	0	750	264	134	597	(264)	(134)
Real Estate Transfer Tax (Article 31)	478	0	0	260	44	86	218	(44)	(86)
Withholding Tax (Articles 22, 30)	9,799	0	0	0	717	5,272	9,799	(717)	(5,272)
Total for All Years							1,206,671	(4,458,587)	(4,545,864)
Amounts from 1993 and Prior Years							2,559,031	2,744	203,108
Net Accelerated Revenue and Amounts Forgone							(1,352,360)	(4,461,331)	(4,748,972)

Settlement of In-Process Audits - Taxpayers Denied and Ineligible for Amnesty (by tax article)

Tax Article	(A) Amnesty Revenue from In-Process Audits			(B) Projected 2002 First Year Audit Revenue /1			(C) Accelerated and Decelerated Audit Revenue and Amnesty Effect /2		
	Tax	Interest	Penalty	Tax	Interest	Penalty	Tax	Interest	Penalty
Personal Income Tax (Articles 16, 22)	2,020,604	274,814	52,496	7,330,667	1,946,121	1,420,841	(5,310,063)	(1,671,307)	(1,368,345)
Withholding Tax (Article 22)	16,645	3,565	2,388	330,867	383,935	87,095	(314,222)	(380,370)	(84,707)
Corporation Franchise Tax (Article 9-A)	200,769	47,913	7,694	295,705	153,662	52,212	(94,936)	(105,749)	(44,518)
Corporation Tax (Article 9)	38,625	604	0	26,004	779	324	12,621	(175)	(324)
Petroleum Business Tax (Article 13-A)	5,000	0	0	622	60	0	4,378	(60)	0
Sales and Use Tax (Articles 24, 28, 28-A, 29)	3,372,391	799,465	55,427	7,276,975	2,927,760	617,865	(3,904,584)	(2,128,295)	(562,438)
Highway Use Tax (Article 21)	35,750	11,841	435	47,455	18,941	898	(11,705)	(7,100)	(463)
Estate Tax (Article 26)	25,915	0	0	34,643	16,634	0	(8,728)	(16,634)	0
Corporation Franchise Tax MTA Surcharge (Article 9-A)	34,985	10,135	2,680	59,986	34,000	10,842	(25,001)	(23,865)	(8,162)
Corporation Tax MTA Surcharge (Article 9)	0	0	0	59	42	59	(59)	(42)	(59)
Total for All Years							(9,652,299)	(4,333,597)	(2,069,016)
Amounts from 1993 and Prior Years							547,686	556,154	1,412,975
Net Accelerated Revenue and Amounts Forgone							(10,199,985)	(4,889,751)	(3,481,991)

/1 Projected revenue (B) is based on the liabilities reported in (A) multiplied by historical collection percentages.

/2 (C), the remainder of (A) - (B), represents accelerated and decelerated revenue. The "amnesty effect" includes AR revenue that taxpayers would not have remitted in the absence of amnesty.

Filings and Systems Services Bureau (FSSB) Mailings - Potential Non-filers

	(A) Eligible Amnesty & Amnesty-Related Revenues - FSSB Mailings (by tax)				(B) Projected 2002 Revenues - FSSB Mailings (by tax)/1				(C) Accelerated & Decelerated Revenues - Pending Cases & Amnesty Effect/2			
	Tax	Interest	Interest Waived	Penalty Waived	Tax	Non-waivable Interest	Waivable Interest	Penalty Waived	Tax	Non-waivable Interest	Interest Forgone/3	Penalty Forgone/4
Corporation Tax	3,413,563	1,125,584	670,902	1,063,156	2,945,564	87,103	51,928	158,766	467,999	1,073,656	618,974	904,390
Personal Income Tax	14,170,997	2,067,143	2,238,898	6,520,350	9,077,941	206,149	223,238	488,393	5,093,056	1,860,994	2,015,660	6,031,957
Sales & Use Tax	120,056	4,268	14,966	17,058	84,868	363	1,275	535	35,188	3,905	13,691	16,523
Total	17,704,616	3,196,995	2,924,766	7,600,564	12,108,373	293,615	276,441	647,694	5,596,243	2,938,555	2,648,325	6,952,870

	(A) Ineligible Amnesty Revenues - FSSB Mailings (by tax)			(B) Projected 2002 Revenues - FSSB Mailings (by tax)/1			(C) Accelerated & Decelerated Revenues (FSSB Mailings) & Amnesty Effect/2		
	Tax	Interest	Penalty	Tax	Interest	Penalty	Tax	Interest	Penalty
Corporation Tax	399,217	34,152	-	344,484	16,260	18,568	54,733	17,892	(18,568)
Personal Income Tax	1,017,154	83,060	-	651,589	30,820	35,055	365,565	79,240	(35,055)
Sales & Use Tax	10,214	8	-	7,220	139	45	2,994	(131)	(45)
Total	\$1,426,585	\$117,220	-	\$1,003,293	\$47,219	\$53,668	\$423,292	\$97,001	(\$53,668)

/1 Projected revenue (B) is based on the liabilities reported in (A) multiplied by historical collection percentages.

/2 (C), the remainder of (A) - (B), represents accelerated and decelerated revenue. The "amnesty effect" includes AR revenue that taxpayers would not have remitted in the absence of amnesty.

/3 Interest forgone is defined as the additional amount of interest the Department could have expected to collect from interest waived (A) in the absence of the 2% reduced rate of interest for taxpayers granted amnesty (waivable interest (B)).

/4 Penalty forgone is defined as the amount of penalty the Department could have expected to collect from the penalty waived (A) in the absence of amnesty (penalty (B)).