



ARSSTC Penalty Waiver Policy

The Uniform Code allows for waivers of the late filing fee and late payment penalty provided for in Section 170. The Uniform Code requires that any waiver request be submitted within 45 days after the date of delinquency. The request must be submitted with full payment of taxes, interest and any penalty otherwise owed by the seller.

In addition, a maximum of one waiver may be granted in any one calendar year.

Following is a more detailed waiver policy that will be applied in accordance with the above Uniform Code guidelines.

Waiver Policy

The Commission will only approve penalty waiver requests for one of the following two reasons:

- History of good compliance or,
- Circumstances outside the control of the seller directly leading to the delinquency.

Waiver for history of good compliance

If a seller has a history of filing and remitting in full and in a timely manner, a waiver of the late payment penalty and/or late filing fee may be granted within the following guidelines:

- Waiver request must be submitted within 45 days of the date of delinquency,
- Taxes and interest must be paid in full with the waiver request and,
- Within the prescribed look-back periods below, seller **must not have**:
 - Been assessed any late filing fees or late payment penalty or,
 - Received any waiver of late filing fees and/or late payment penalty.

| Look-back periods for Good Compliance Waiver | |
|--|--|
| Filing Frequency | Period |
| Monthly | Preceding 12 calendar months |
| Quarterly | Preceding 2 calendar years (24 months) |
| Annual | Preceding 3 calendar years (36 months) |

Waiver for circumstances outside the control of the seller

A seller may request a waiver for delinquencies caused by circumstances outside the control of the seller. These circumstances are generally immediate, unexpected, or emergency in nature.

The following circumstances **are not** considered beyond the control of the seller:

- Financial hardship,
- Misunderstanding or lack of knowledge of tax liability,
- Mistakes or misconduct on the part of employees or other persons contracted with the seller.

Circumstances beyond the control of the seller include, but are not necessarily limited to:

- Death or serious illness of the seller or the seller's immediate family.
- Death or serious illness of the seller's accountant or tax preparer or their respective families.
- Unavoidable absence of the seller or key employee immediately prior to the filing. "Unavoidable absence" does not include absences such as business trips, vacations, personnel turnover, or termination.
- Destruction by fire or other casualty of the seller's place of business or business records.

A request for waiver due to circumstances beyond the control of the seller should include all pertinent facts and information necessary to prove the circumstances in question. Requests should be made in writing and submitted within 45 days of the date of delinquency. Waivers due to circumstances beyond the control of the seller are not subject to the above lookback periods; however only one waiver of this type may be allowed every 12 calendar months.