

**FAST-TRACK VOLUNTARY DISCLOSURE AGREEMENT
BETWEEN COMPTROLLER OF PUBLIC ACCOUNTS
AND TAXPAYER**

This Agreement is made and entered into by and between the Comptroller of Public Accounts, State of Texas (the "**Comptroller**") and _____ (the "**Taxpayer**"). The effective date of this Agreement will be the date the Taxpayer returns a signed original of this Agreement to Comptroller as indicated by the postmark on the face of Taxpayer's transmittal envelope; said date being the _____ day of _____, 20____ (date to be filled in by Comptroller upon receipt).

FACTS: To induce Comptroller to enter into this Fast-Track Voluntary Disclosure Agreement (VDA), Taxpayer has made the factual representations contained in the Fast-Track VDA Application and Checklist, attached hereto as "Exhibit A". Taxpayer agrees to and acknowledges Comptroller's reliance on the accuracy and truthfulness of these facts in entering into this Agreement.

- 1) **Tax Reporting, Collections, Accruals and Remittance:** Taxpayer is remitting taxes under this agreement for the following taxes:

Sales and Use Tax

Yes ☐ No ☐

Taxpayer will report and remit, along with this agreement, all State and Local Sales and Use taxes due within the last four years from the date of this agreement. Further, Taxpayer agrees to report and remit all State and Local Sales or Use taxes that were collected prior to the agreed 4-year lookback period which have not previously been reported and paid.

Taxpayer will submit the Sales and Use tax data by either transaction detail or summarized by month by jurisdiction in an electronic spreadsheet format specified by Comptroller (see sample Sales and Use Tax Worksheet).

The Comptroller and Taxpayer agree that Taxpayer will begin properly reporting Texas Sales or Use taxes, effective immediately.

Taxpayer will collect on taxable sales, accrue on taxable purchases and remit Texas sales and use taxes at the state rate of 6.25 cents per dollar plus local taxes at the proper rate for each individual jurisdiction. Should tax rates established by state or local law change, Taxpayer will adjust its rates to correspond with the new state or local tax rates. *Comptroller* will distribute the tax over and above the state rate to local taxing jurisdictions.

Franchise Tax

Yes ☐ No ☐

Taxpayer will report and remit, along with this agreement, all Franchise Taxes due within the last four years from the date of this agreement

Taxpayer acknowledges that any Franchise tax reports that must be filed under a separate related Reporting Entity are not part of this Agreement. A separate Agreement is needed for the Reporting Entity.

Other Tax or Fee - _____

Yes ☐ No ☐

Taxpayer will report and remit, along with this agreement, all taxes or fees due within the last four years from the date of this agreement for the above tax or fee.

2) **Verification and Right to Rescind** If:

- a. Taxpayer was informed prior to the effective date of this Agreement of Comptroller's intent to conduct an audit of Taxpayer;
- b. Taxpayer is under an active investigation by Comptroller;
- c. Taxpayer submitted, under this agreement, franchise tax returns as a result of an IRS audit;
- d. Agreement was not entered into in good faith,

An Agreement will not be granted if:

Taxpayer was audited for periods prior to the VDA period and the tax errors disclosed in the VDA are similar to the **errors revealed in the prior audit. In this case, Taxpayer may still bring items forward to the Business Activity Research Team (BART) who will research to determine the amount of penalty and interest waiver that may be waived, if any. No VDA agreement will be executed.**

Taxpayer submits returns showing no additional tax is due; there is no penalty and interest waiver. In those cases we will process their returns and may waive the late filer fee if they qualify. No VDA agreement will be executed.

If a combined franchise tax report is submitted under this Agreement, the term Taxpayer in section 2 refers to the reporting entity and each of the affiliates reported in the combined franchise tax report.

In addition, for Sales and Use or other like taxes/fees, if one of Taxpayer's customers or vendors disclosed in the Agreement has been contacted by the Comptroller's office regarding an audit or investigation, the customer or vendor will be excluded from the Agreement.

- 3) **Releases:** Contingent upon Taxpayer's good faith compliance with this Agreement, Comptroller releases Taxpayer from all actual or potential liability for not reporting and remitting taxes to the State of Texas for periods due prior to the Agreement period provided in Section 1 of the Agreement. This release applies only to taxes and issues disclosed under this Agreement. This release does not apply to tax previously collected but not remitted.
- 4) **Confidentiality:** Taxpayer information disclosed to the Comptroller in this Agreement or pursuant to this Agreement will be kept confidential by the Comptroller to the greatest extent permitted by law.
- 5) **Examination of Records:** It is expressly understood that the execution of this Agreement does not constitute an acceptance by the Comptroller of the methodology used to determine the taxes remitted under this Agreement. Taxpayer will keep and preserve suitable records, including methodology used, in determination of taxes included in this VDA. Comptroller may inspect, review and/or audit any Taxpayer books and records. All periods included in this Agreement are subject to audit as allowed by the statute of limitation.

- 6) **Governing Law:** Interpretation, performance and enforcement of this Agreement will be governed exclusively by the laws of the State of Texas.
- 7) **Venue and Jurisdiction:** Venue for and jurisdiction of any suit arising from this Agreement is exclusively conferred upon the district courts of Travis County, Texas.
- 8) **Waiver of Penalties and/ or Interest:** The taxes disclosed by this Agreement must be paid in full and submitted along with this agreement. Once so paid, Comptroller will waive both penalties and interest unless a previous Comptroller audit or investigation reflects a history of similar omissions or errors by Taxpayer in reporting and/or remitting taxes. No waiver will be granted on tax due related to similar omissions or errors. Interest will not be waived for taxes collected but not previously remitted.
- 9) **Modification:** This Agreement may not be modified.
- 10) **Final and Binding Agreement:** The Comptroller and the Taxpayer acknowledge and affirm that the stated terms of this Agreement are binding and final. These terms represent the complete understanding of the parties with regard to this matter and there are no verbal agreements that vary from or supplement them. By signing this Agreement, the Taxpayer acknowledges and agrees that it is not entitled to any additional administrative review or redetermination or refund hearing involving the tax, penalty or interest in question, and that it may not file a protest payment under Tex. Tax Code §112.051.

APPROVED, AGREED AND ACCEPTED ON THE FOLLOWING DATES BY:

**Comptroller of Public Accounts,
State of Texas by:**

Taxpayer:

(Printed name of Taxpayer)

(Taxpayer's Texas Identification Number)

(Taxpayer's Federal Identification Number)

(Mailing Address)

(City, State, Zip Code)

(Signature of Comptroller's Representative)

(Signature of Signer for Taxpayer)

(Printed Name of Comptroller's Representative)

(Printed Name of Signer for Taxpayer)

(Title)

(Title-Must be Officer, Director, Partner or Owner)

Date: _____

Date: _____