

Request to Waive Penalties

North Carolina Department of Revenue

Part 1. Taxpayer Information

SSN or FEIN: _____ SSN of Spouse (If Joint Return): _____ Account ID Number: _____

Taxpayer's Name (Legal Name if Business): _____

Trade Name (If Different): _____

Name of Contact Person: _____ Daytime Telephone Number: _____

Mailing Address: Street or P.O. Box _____

City _____ State _____ Zip Code _____

Part 2. Penalty Information

Type(s) of Tax: _____ Amount of Penalty: _____

Period(s): _____ Notice(s) of Assessment: _____

Part 3. Reason for Request (Place an X in any block that applies and provide the information requested.)

Death of taxpayer, taxpayer's immediate family member, or tax preparer.
Name of deceased: _____
Date of death: _____ Relationship to taxpayer: _____
Explanation of how death prevented compliance: _____

Serious and sudden illness of taxpayer, taxpayer's immediate family member, or tax preparer that began within 3 months before the due date of the tax for which the penalty was assessed.
Name of person with illness: _____ Type and duration of illness: _____
Explanation of how illness prevented compliance: _____

Natural disaster or accident that destroyed property or records that occurred within 3 months before the due date of the tax for which the penalty was assessed. (For disasters addressed in a memo from the Secretary of Revenue or the Governor of North Carolina, the period for requesting a penalty waiver is specifically stated in the memo.)
Date and type of disaster or accident: _____
Has insurance claim been filed? Yes No If yes, enter name of insurance carrier: _____
Explanation of how disaster or accident prevented compliance: _____

Good Compliance Record. You must meet **all** the criteria set out in the instructions located on reverse.

Taxpayer's Signature: _____ Title: _____ Date: _____
I certify that, to the best of my knowledge, this application is accurate and complete.

Tax Preparer: _____ Date: _____

Instructions

Part 1. Taxpayer Information: Enter the identifying information of the taxpayer including the name, address, and applicable identification number(s) along with the name and phone number of a contact person (if different from the taxpayer) on the appropriate lines.

Part 2. Penalty Information: List the type(s) of tax for which this request applies along with the amount of penalty and the tax period(s) covered. **Important.** For penalty waiver purposes, the following tax types are considered as one tax type:

- Corporate Income and Franchise tax
- State, Local, and Mecklenburg Sales tax

In addition, all penalties imposed for the same filing period are treated as one request. Attach a copy of each notice of tax assessment to this form or write each notice number in the space provided.

Part 3. Reason for Request: Indicate the reason for the penalty waiver request by placing an X in the space provided. **Important.** Your request will be denied if you do not provide all of the required information for the reason you specify.

Good Compliance Record. The Department recognizes that everyone makes mistakes and taxpayers sometimes have difficulty complying with the tax laws. For this reason, each taxpayer is allowed one 100% penalty waiver for each tax type every three years based on the [Department's Penalty Policy](#) ** at www.dorn.com.

The good compliance reason applies **only if all** of the following statements are true:

- All required tax returns and reports due have been filed.
- All tax and interest due for the tax period for which the penalty waiver is requested has been fully paid.
- Any amount due on a notice of collection received for a tax period that is different from the tax period for which the penalty waiver is requested has been fully paid.
- During the past three years, no 100% penalty waiver based on a good compliance record for the tax type for which waiver is requested has been granted.
- The penalties at issue are not the result of the same or similar error or practice as those previously assessed by the Department.
- The penalties at issue were not assessed as a result of an audit wherein the Department determined that income shifting or tax avoidance was utilized.
- All documents, information, reports, and returns requested by the Department were timely provided.

**** Exception:** The 10% failure to pay penalty for trust taxes, such as sales tax and withholding tax, is not subject to the good compliance record reasons if the taxpayer collected but failed to remit trust taxes.