



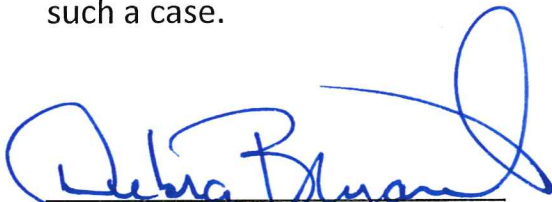
City Clerk's Tax Rule Assessment of Penalties

In accordance with EMC 3.19.160, the City Clerk does hereby provide the following interpretation:

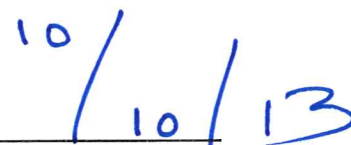
There may be situations where a taxpayer notifies the City of an underreported tax obligation on a tax return that was originally filed and paid on a timely basis; and

That many agencies choose not to impose penalties in circumstances where the underreporting is due to the taxpayer's reasonable mistake, which is an appropriate measure to avoid unnecessarily penalizing a taxpayer for taking voluntary corrective action;

Therefore, in the event a taxpayer notifies the City that it underreported its tax obligation on a tax return originally filed and paid on a timely basis, and the Director determines the error was due to an inadvertent error or omission, or reasonable misunderstanding on the part the taxpayer, then the Director is authorized to determine that a penalty is not in order, and will not be imposed in such a case.




CAO/CFO Approval



Date



City Clerk's Approval



Date