

Pennsylvania Offers Amnesty for Holders of Unclaimed Property *Penalties and interest waived and reporting periods limited if application is received by October 31*

The Pennsylvania Secretary of the Treasury announced the Pennsylvania Treasury's Holder Amnesty Program, which allows holders of unclaimed property to come into compliance with the Commonwealth's Abandoned and Unclaimed Property Act.

Financial institutions, government agencies, businesses and other organizations are required to file unclaimed property reports and remit unclaimed property to Treasury on an annual basis. Unclaimed property consists of any financial asset left with a business or organization without activity or contact for at least one year. Items such as bank accounts, uncashed payroll checks, accounts payable or receivable checks, credit balances, expired gift cards, savings and checking accounts, money orders, utility refunds, stocks and bonds, and the contents of safe deposit boxes all may constitute unclaimed property. Companies without unclaimed property for the calendar year must still file a negative report to remain in compliance – writing these items off as income does not relieve a company of its obligation to report unclaimed property.

The Pennsylvania Treasury's Amnesty Program for holders of unclaimed property expires on October 31, 2010. An applicant who timely applies to the program will benefit because the Treasury will waive penalties and interest and limit reports to the past five years for holders who voluntarily come forward. Civil penalties may be imposed at a rate of \$100/day up to a maximum of \$10,000 per report, and interest is imposed at a rate of 12% annually. It is imperative for non-compliant holders to act before receiving a "self-audit" letter (being sent to a wide range of organizations) that will make them ineligible for the Amnesty Program.

Stevens & Lee is experienced in assisting to navigate Pennsylvania Amnesty programs and can help you to take advantage of this opportunity to avoid penalties and interest, limit the look-back periods and to comply with Pennsylvania's Abandoned and Unclaimed Property Act.

For more information contact the Stevens & Lee attorney with whom you regularly speak or Thomas A. Bowen, Director of State and Local Taxes, at 717.255.7363 or tab@stevenslee.com, Glenn A. Yeager at 610.478.2164 or gy@stevenslee.com, or Eric F. Marshall at 610.478.2092 or efm@stevenslee.com.

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