

ORDINANCE NO. 181859

An ordinance adding Section 21.16.1 to Chapter II, Article 1 of the Los Angeles Municipal Code to establish a voluntary disclosure program to provide relief for taxpayers who voluntarily disclose previously unknown tax liabilities.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 21.16.1 is added to Chapter II, Article 1 of the Los Angeles Municipal Code to read as follows:

SEC. 21.16.1. VOLUNTARY DISCLOSURE.

(a) Notwithstanding any other provisions of the Code, the Director of Finance or her designee is authorized to enter into a Voluntary Disclosure Agreement (VDA) with any qualifying taxpayer that meets the requirements of this Section. Under a VDA, the period during which a delinquency determination may be made against a qualifying taxpayer with respect to a Business Tax liability under Article 1 of Chapter II of this Code shall be limited to five (5) years after the date on which the tax was due. For the initial twelve (12) month period beginning with the effective date of this Section, the period during which a delinquency assessment may be made against a qualifying taxpayer with respect to a Business Tax liability under Article 1 of Chapter II of this Code shall be limited to three (3) years after the date on which the tax was due. For purposes of this section, a "qualifying taxpayer" is a taxpayer that meets all of the following conditions:

1. The taxpayer has not previously filed an application for a business tax registration certificate or business tax renewal form with the City;
2. The taxpayer is engaged in business in the City, as defined in Section 21.00;
3. The taxpayer voluntarily files an application for a business tax registration certificate and business tax renewal form(s) with the City for all years for which the taxpayer was engaged in business in the City;
4. The taxpayer has not been previously contacted by the City or by a City contractor regarding its tax liabilities under Article I of Chapter 2 of this Code, and is not currently under audit for or otherwise contesting such liabilities;
5. The taxpayer fully and completely cooperates with an investigation of the taxes at issue in the VDA, including providing all books and records to the Office of Finance;

6. As reasonably determined by the Director of Finance or her designee, the taxpayer's failure to file a timely application for a business tax registration certificate or business tax renewal form or to pay the taxes owed was due to reasonable cause and was not a result of intentional disregard of the law or because of fraud or an intent to evade the provisions of this Code; and

7. The VDA contains such terms and conditions as are otherwise necessary to effectuate the VDA program.

(b) If the Director of Finance or her designee finds that the taxpayer's failure to timely file an application for a business tax registration certificate or business tax renewal form or to pay the taxes owed is due to reasonable cause or circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the taxpayer shall be relieved of the penalties, but not the interest, imposed by Section 21.05 on taxes due. Any taxpayer seeking relief of penalty shall file a statement under penalty of perjury setting forth the facts upon which the taxpayer bases the claim for relief.

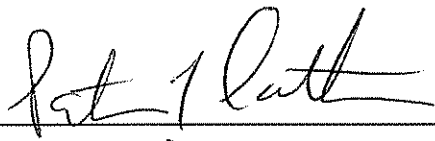
(c) Any VDA entered into by the Director of Finance or her designee under this ordinance shall be null and void and the Office of Finance may assess all taxes compromised by the VDA if:

1. A taxpayer misrepresents material facts provided to the Office of Finance with respect to the VDA; or
2. A taxpayer defaults on an installment payment plan for the taxes at issue under the VDA.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of AUG 19 2011.

JUNE LAGMAY, City Clerk


By 
Deputy

Approved AUG 24 2011


Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
DANIEL M. WHITLEY
Deputy City Attorney

Date 5/16/11

File No. 09-1914-53

DECLARATION OF POSTING ORDINANCE

I, MARIA VIZCARRA, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 181859 – Adding Section 21.16.1 to Chapter II, Article 1 of the Los Angeles Municipal Code to establish a voluntary disclosure program to provide relief for taxpayers who voluntarily disclose previously unknown tax liabilities - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on **August 19, 2011**, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on **August 25, 2011** I posted a true copy of said ordinance at each of the three public places located in the City of Los Angeles, California, as follows: 1) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; 2) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; 3) one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Copies of said ordinance were posted conspicuously beginning on **August 25, 2011** and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this **25th** day of **August 2011** at Los Angeles, California.



Maria Vizcarra, Deputy City Clerk

Ordinance Effective Date: **October 4, 2011**

Council File No. **09-1914-S3**