

THE PURPOSE OF THIS FORM

Use Form 290 to request an abatement of non-audit penalties.

The account for which the abatement request is being submitted must be in compliance. Compliance means there are no delinquent tax returns and all non-audit tax liabilities are paid when making the request. Provide clear and concise information to allow for a prompt reply by the department.

The request will not be considered for processing if the form is incomplete or if the account is not in compliance. The abatement request form and documentation will be returned for correction. The form and documentation will then need to be resubmitted for consideration.

IMPORTANT: If the penalty being addressed is the result of an audit, **do not** use Form 290. Contact the Audit Unit at the phone number shown on the assessment. The Penalty Review Unit does not process audit assessed penalties.

INFORMATION**PART 1 - GENERAL INFORMATION**

All requests for abatement of penalties must include the name, address, email address and telephone number of the taxpayer for which the request is being made.

If you want the Arizona Department of Revenue to work with your representative or third party, complete and include Arizona Form 285, General Disclosure/Representation Authorization Form. Ensure boxes 4b and 4c or box 5 are indicated.

PART 2 - SPECIFIC DETAILS FOR ABATEMENT CONSIDERATION

Provide specific details regarding the account and periods to be considered for abatement.

TAX TYPE

- If your request is for an individual income tax return, use the Individual Taxpayer Identification Number (ITIN) number or social security number from the return.
- If your request is for a business account, use the Transaction Privilege Tax (TPT) or Marijuana Excise Tax (MET) license number.
- If your request is for a corporate or withholding account, use an Employer Identification Number (EIN).

PERIOD(S) OR YEAR(S)

Enter the specific tax period(s) in date format, based on the filing frequency, that you want considered for the abatement.

For example:

- Annual filers: 2015-2016
- Quarterly filers: 01/2017-03/2017 or Q2 2018
- Monthly filers: 07/2017-02/2019

PENALTY AMOUNT

Enter the dollar amount for which you are requesting penalty abatement. There is no statutory provision that permits abatement of interest based on reasonable cause.

PART 3 - EXPLANATION & DOCUMENTATION

Explain in detail your reason(s) for requesting the abatement. You must provide specific details or reasons that directly contributed to the failure to file or pay timely for the period(s) you are requesting penalty abatement. Include in the explanation as to why there is reasonable cause for the returns and/or payments being late. Clear and concise information will allow for a prompt reply. Include additional pages if you need more space.

IMPORTANT: You must include Documentation that supports the basis of your request. Requests without supporting documentation may be denied.

Examples include:

- Proof of timely payment; including front and back of canceled checks.
- Medical reports and/or Death Certificate(s).
- Other pertinent documents that support your request for this abatement.
- Proof an extension has been filed.

Situations Where Reasonable Cause May Exist:

Below are some situations where reasonable cause may exist. There may be other situations where reasonable cause may exist. Accordingly, **it's important for you to provide specific details or reasons that directly contributed to the failure to file or pay timely for the periods you are requesting.**

Circumstances beyond the control of the taxpayer while using reasonable and prudent business practices.

1. Mathematical errors

A mathematical error on a timely filed tax return.

2. Unexpected illness or unavoidable absence**A. Individual returns**

- a. Delay caused by serious illness of the taxpayer, or member of the taxpayer's immediate family.
- b. Delay caused by unavoidable absence of the taxpayer. Vacation time is not acceptable as an unavoidable absence.

B. Entity returns

In the case of corporate, estate, trust or other business returns, delay caused by unexpected serious illness of the individual with sole authority to execute the return or member of such individual’s immediate family. Delay caused by unavoidable absence of the individual with sole authority to execute return.

If **unexpected illness** is the basis of the request for penalty abatement, the Department shall require proof of the date of illness. This proof includes, but is not limited to, doctor statements.

3. Death

A. In the case of individual returns, delay caused by the death of a taxpayer or member of the taxpayer’s immediate family.

B. In the case of corporate, estate, trust or other business returns, the delay must have been caused by the death of an individual with the sole authority to execute the return, or a member of such individual’s immediate family.

For both individual and business returns, a reasonable time frame should apply for filing the return and payment of tax. A copy of the death certificate must be provided.

4. Absence of records

The taxpayer is unable to obtain records necessary to determine the amount of tax due for reasons beyond the taxpayer’s control. An example would be a fire which destroys the taxpayer’s records.

Situations Where Reasonable Cause May NOT Exist:

1. Ignorance of the law or lack of awareness of filing and paying requirements.
2. Delegation of duties.
3. Financial difficulties have no effect on the taxpayer’s ability to file returns in a timely fashion.

Penalties and/or fees not considered for Abatement:

1. Interest
2. TPT licensing fees
3. Audit assessed penalties
4. Any disallowed accounting credit(s) for TPT

For additional information regarding reasonable cause, please refer to the following:

- Arizona Revised Statutes § 42-2062 available at www.azleg.gov.
- Arizona Department of Revenue *Publication 700* and Arizona Department of Revenue *General Tax Ruling (GTR) 04-2* available at www.azdor.gov.

PART 4 - SIGNATURE OF TAXPAYER OR AUTHORIZED REPRESENTATIVE

The form should be signed by one of those listed below or otherwise authorized by A.R.S. § 42-2033(A). A responsible party that has the authority to act on behalf of the taxpayer should check the box in Part 4.

If you want the Arizona Department of Revenue to work with your representative or third party, complete and include Arizona Form 285, General Disclosure/Representation Authorization Form. Ensure boxes 4b and 4c **or** box 5 are indicated.

Handwritten signature, date, print the signer’s name and title. An electronic signature with a digital certificate is accepted.

Type of Entity	Who must sign
Individuals, Joint Filers and Sole Proprietorships	The individual/joint filers/sole proprietor must sign.
Corporations	A principal corporate officer within the meaning of A.R.S. § 42-2003 (A)(2) or any person designated by a principal corporate officer or any person designated in a resolution by the corporate board of directors or other similar governing body, must sign.
Partnerships & Limited Partnerships	A partner having authority to act in the name of the partnership must sign.
Trusts/Estates	A trustee, executor/executrix or the personal representative of the estate must sign. See Form 210, Notice of Assumption of Duties in a Fiduciary Capacity.
Limited Liability Companies	A member having authority to act in the name of the company must sign.
Governmental Agencies	An officer having authority to act on behalf of the governmental agency must sign.

MAIL, FAX OR EMAIL FORM 290 TO:

ARIZONA DEPARTMENT OF REVENUE
 PENALTY REVIEW UNIT
 1600 W MONROE ST
 PHOENIX AZ 85007-2612

Fax No. (602) 716-6787

Email: PenaltyReview@azdor.gov

Allow up to six (6) weeks for processing.

