

## SYNOPSIS

**BROAD-BASED HEALTH-CARE-RELATED TAX -- WAIVER OF ADDITIONS TO TAX** -- Petitioner was not in default of prior payment plan because the same did not specifically address the 2001 tax year. This fact coupled with the showing that Petitioner remains current for tax year 2002 and for the first part of tax year 2003 meets the reasonable cause requirement of W. Va. Code § 11-10-18(a)(1)-(2).

## FINAL DECISION

The Director of the Field Auditing Division of the Commissioner's Office issued a broad-based health-care-related tax assessment against the Petitioner.

This assessment was for the period of January 1, 1999 through December 31, 2001, for tax, interest, through September 30, 2002, and additions to tax.

Written notice of this assessment was served on the Petitioner.

Thereafter, the Petitioner timely filed with this tribunal, the West Virginia Office of Tax Appeals, a petition for reassessment.

## FINDINGS OF FACT

1. Petitioner conceded the whole of the tax assessment including all applicable interest.
2. Petitioner only requested waiver of the additions to tax.
3. Immediately after the administrative hearing, Petitioner's president met with representatives of the Tax Commissioner to amend the payment plan in order to include the disputed 2001 tax year.
4. Petitioner's reason for not remaining current for tax year 2001 was because of cash flow restrictions related to W. Va. Medicaid reimbursement procedures.

## DISCUSSION

The sole issue is whether the Petitioner has shown reasonable cause for waiver of the additions to tax as required by W. Va. Code § 11-10-18(a)(1)-(2).

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

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The facts in this case show that the prior payment plan did not specifically address the 2001 tax year, which in purely technical terms means that Petitioner was not in default of same.

Because Petitioner has now entered into a new payment plan, which includes tax year 2001 and because Petitioner remains current for 2002 and 2003, Petitioner has shown reasonable cause for waiver of additions to tax with respect to the 2001 tax year.

### **CONCLUSION(S) OF LAW**

Based upon all of the above it is **DETERMINED** that:

The Petitioner-taxpayer in this matter has carried the burden of proof with respect to the issue of whether it is entitled to waiver of additions to tax with respect to the 2001 tax year.

### **DISPOSITION**

**WHEREFORE**, it is the **FINAL DECISION** of the **WEST VIRGINIA OFFICE OF TAX APPEALS** that the broad-based health-care-related tax assessment issued against the Petitioner for the period of January 1, 1999 through December 31, 2001, should be and is hereby **AFFIRMED** as to the **tax** and **interest**, updated through June 30, 2003; the **ADDITIONS** to tax are, however, **VACATED** in full.