



This Week in State Tax (TWIST)

August 21, 2023



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Pennsylvania: VDA Lookback Period Revised for Corporate Taxes

In a recent tax update, the Pennsylvania Department of Revenue announced that it has revised the lookback period for corporate income taxpayers participating in the state's Voluntary Disclosure Agreement (VDA) program. The lookback period for corporation taxes will now be three years plus the current year, which is consistent with the lookback period that applies to other tax types. Under the prior eligibility requirements, the lookback period was five years plus the current year. This change will apply to VDAs entered into on August 1, 2023 or later. The recent guidance also includes an example of which returns must be filed for the current tax year and immediately preceding three years. Assuming a taxpayer was entering into a VDA in the 2023 calendar year, the current tax year due is 2022. Tax years 2019, 2020, 2021, and 2022 would be the years included in the VDA. The agreement would begin with 2019. If 2022 is on extension, the taxpayer would need to send returns for 2019, 2020, and 2021 along with any estimated or extension payments for 2022 under the VDA. If the original or extended due date for 2022 has passed, the taxpayer would be required to send the return for tax year 2022 as well. The Department also noted that the VDA program raised \$86.4 million for the 2022-2023 fiscal year. Please contact [Mark Achord](#) with questions.

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