

Multi-state Tax Shelter Voluntary Compliance Program

Form MTC-VCP-2

State: New Jersey

The purpose of this form is to set forth for the indicated State the benefit offered to a taxpayer as an incentive to participate in this Multi-state Tax Shelter Voluntary Compliance Program (Multi-state VCP), which is administered by the participating states and the Multistate Tax Commission.

This State during the period of this program and subject to the rules set forth in *Multi-state Voluntary Compliance Initiative Procedures & Policies* agrees to provide the State Benefit indicated below to all Participating Taxpayers. The state offers these benefits based on its administrative authority to exercise discretion with respect to waiver or abatement of penalty.

A Participating Taxpayer is one who does all of the following:

1. Complies with the requirements of *Multi-state Voluntary Compliance Program Policy & Procedures*; and
2. Submits timely all of the following to the Multi-state Voluntary Compliance Program:
 - a. Form MTC-VCP-1;
 - b. Amended or initial return(s) for any tax year(s) beginning before January 1, 2006 (initial returns are permissible only if the failure to timely file was due to participation in an Abusive Tax Shelter);
 - c. Payment of additional tax due as a result of the amended or initial return(s); and
 - d. Fully completed IRS Form(s) 8886 for each Abusive Tax Shelter generating an initial or amended return.

Multi-state Voluntary Compliance Program c/o Multistate Tax Commission, 444 North Capitol Street, NW, Suite 425, Washington, DC 20001.

State Benefit

Please sign below if this State, in consideration for a Participating Taxpayer's participation in this Multi-state VCP, will **wave or abate all penalties** that could otherwise be assessed against that Participating Taxpayer with respect to its participation in the Tax Shelters for the tax years listed on its submitted Forms 8886 and accompanying State returns.

Signature: _____ Date: _____

Print Name: _____ Print Title & State: _____

-- OR --

Please sign below if this State, in consideration for a Participating Taxpayer's participation in this Multi-state VCP, will waive or abate only the following **penalties** that could otherwise be assessed against that Participating Taxpayer with respect to its participation in the Tax Shelters for the tax years listed on its submitted Forms 8886 and accompanying State returns. A penalty is not waived or abated unless listed below. Alternatively, please sign below if this State, in consideration for a Participating Taxpayer's participation in this Multi-state VCP, will grant one or more **benefits** to the Participating Taxpayer in lieu of, or in addition to, waiver of enumerated penalties.

This State offers the following waivers of enumerated penalties and/or offers the following other enumerated benefits. If appropriate, please cite statute or regulation.

Late filing and late payment penalties (25% and 5%) per N.J.S.A. 54:49-4

Signature: Richard W. Schrader Date: 5/11/07

Print Name: Richard W. Schrader Print Title & State: Assistant Director, New Jersey