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CT Leniency For Secret UBS Account Holders

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Friday is the deadline for Connecticut residents who had secret overseas accounts with Swiss bank UBS AG to come clean with state tax collectors and avoid criminal charges.

The state Department of Revenue Services' leniency offer extends primarily to those with Connecticut tax liabilities who are among the 4,450 owners of secret accounts that UBS revealed last year to federal investigators and the IRS.

State officials stop short of calling it an "amnesty," preferring to describe it as a "voluntary disclosure" offer.

But it also covers residents with secret offshore accounts administered by other financial institutions, authorities said.

"This is a one-shot deal," DRS spokesman Sarah Kaufman told HBJ Today.

Stamford is UBS' North American headquarters for its banking and wealth management operations.

The IRS ended its disclosure offer to UBS' secret accountholders last September. Much of the information collected about those who failed to report from federal investigators is being turned over to Connecticut, Kaufman said.

Anthony Parent, a Wallingford tax attorney who runs IRS Medic, says that stepped up sharing of information between state and federal tax authorities raises the stakes to more than a past-due tax bill, including penalties and jail time for tax evasion.

"I don't care how much money you stand to lose, prison time isn't fun," Parent said.

Kaufman said state tax collectors don't yet have an estimate as to how many Connecticut residents had secret UBS accounts or the amount the state stands to collect under the disclosure program.

Once UBS or other secret accountholders declare themselves to state tax collectors, the agency will conduct an audit to verify the information and arrive at a final total due to the state, Kaufman said. ■