elliott davis

when to consider a voluntary disclosure agreement (VDA)

Do you have activity in states where you may not be filing or paying tax (sales, income, franchise, or gross receipts)?

- **No** — A VDA is likely unnecessary.
- **Yes** — Has this exposure existed for more than one year?
  - **No** — Exposure may be manageable without a VDA.
  - **Yes** — Has any state contacted you (audit notice, nexus questionnaire, etc.)?
    - **Yes** — VDA eligibility may no longer be available.
    - **No** — Is there potential material exposure for financial reporting or transaction diligence?
      - **No** — A VDA is likely unnecessary.
      - **Yes** — Are you seeking to limit lookback and reduce penalties?
        - **No** — A VDA is likely unnecessary.
        - **Yes** — A VDA is likely an effective strategy.