

**AGREEMENT FOR FACILITATING VOLUNTARY DISCLOSURE
OF STATE SALES AND LOCAL TAX LIABILITIES RELATING TO
TRANSIENT RENTAL TRANSACTIONS**

This Agreement is made as of November 19, 2001, by and between FLORIDA DEPARTMENT OF REVENUE, (hereafter "DOR"), and Nassau County, (hereafter "County"). DOR and County will be collectively referred to herein as "Parties."

WITNESSETH

WHEREAS, the Parties wish to facilitate voluntary disclosure by Taxpayers having a liability for both State sales tax and local tourist taxes with respect to their transient rental transactions;

WHEREAS, the Parties each will derive certain benefits from the arrangements as set forth herein;

NOW, THEREFORE, in consideration of the mutual premises contained herein, it is agreed as follows:

1. When a taxpayer submits a written request either to DOR or to County to voluntarily self-disclose its tax, interest, and penalty liability relating to its transient rental transactions, the party receiving the request will prepare a written response to the taxpayer.

2. The written response to the voluntary disclosure request by the taxpayer will include the following information:

A. If DOR is contacted, DOR will advise in its response that the taxpayer also might have a liability for local tourist taxes. DOR will indicate that the liability for local taxes could be handled together with the sales tax disclosure to DOR, provided that the taxpayer has not already been contacted by the appropriate county(ies) with respect to such liability. If handled by DOR, DOR will instruct the taxpayer to provide information as to the county(ies) monthly tax liability and the period(s) of time in which the taxpayer was engaged in transient rentals transactions. The taxpayer further will be instructed that if it is located in certain counties having various taxing districts, then it must provide the specific locations as to where its transient rental transactions are occurring.

B. If County is contacted, County will advise in its response that the taxpayer might also have a liability for sales tax. County will indicate that the liability for sales taxes could be handled together with the disclosure to County, provided that the taxpayer has not already been contacted by DOR with respect to such liability. If handled by County, County will instruct the taxpayer wishing to have its DOR liability handled with County to provide information as to the monthly tax liability and periods of time in which the taxpayer was engaged in transient rentals.

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3. When DOR or County is asked by the disclosing taxpayer to have its liability to one party resolved with the assistance of the other party, the party contacted by the taxpayer will notify the other party in writing of the taxpayer's request. The notification will provide a brief statement as to the facts and circumstances of the taxpayer, the time period(s) for which disclosure is being made, and the taxpayer's monthly tax liability. The party receiving such notification shall have a period of ten (10) business days from postmark date of the notification or the date of receipt if transmitted by a method other than U.S. Mail, to respond as to whether it wishes to have the taxpayer resolve its liability directly with the party, or whether it wishes to have the liability resolved through the assistance of the other party. Failure to respond within the ten (10) day time period, unless an extension is granted in writing, shall be deemed to constitute an agreement by the notified party to have the resolution of the taxpayer's liability to it resolved in conjunction with the resolution of the disclosing taxpayer's liability to the other party.

4. DOR and County agree that the following terms and conditions will apply regarding a taxpayer's request to have its liability to one party handled together with its voluntary disclosure to the other party:

A. The party contacted by the taxpayer will assist a taxpayer in resolving only its liability to the other party when the taxpayer has not already been contacted by the other party with respect to such liability.

B. The party contacted by the taxpayer either will calculate, or will request the other party to calculate, the disclosing taxpayer's liability for tax, interest, and penalty, to the other party. As stated in Sections 125.0104(10)(c) and 212.0305(5)(c), F.S., the rules promulgated by DOR with respect to transient rentals will be used to determine the taxpayer's liability to both DOR and County.

C. The Parties agree that DOR's rule (Rule 12-13.007, F.A.C.) as to what constitutes reasonable cause for purposes of penalty compromise will determine penalty waiver for both DOR and County. The Parties agree that any compromises of tax and interest by DOR or County will be based on the standards for doubt as to liability set forth in Rule 12-13.005 F.A.C., and/or the standards for doubt as to collectibility set forth in Rule 12-13.006, F.A.C.

D. In those instances in which a taxpayer has collected but not remitted taxes, the parties agree that an automatic 5% penalty will be due from the taxpayer to resolve its liabilities to both DOR and County, unless extenuating circumstances are found. If the party calculating the liabilities finds extenuating circumstances, and decides to reduce the 5% penalty, then it must provide written notification to the other party as to the particular factors of the taxpayer that demonstrated that extenuating circumstances were present. The other party has ten (10) business days from the postmark date of the notification or the date of receipt if transmitted by a method other than U.S. Mail to respond, either agreeing with the determination or

providing reasons why the party disagrees. Failure to respond within the designated

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time period unless an extension is granted in writing shall be deemed to constitute an agreement by that party as to the other party's determination.

E. Once the taxpayer's liability for tax, interest, and penalty to DOR and County is determined, the party calculating the liability shall forward to the other party a written communication setting forth: (i) the taxpayer's identity, if known; (ii) a brief paragraph as to the facts of the disclosing taxpayer; (iii) the time period of the disclosure; (iv) a statement as to the calculated liability of that taxpayer (under the disclosed facts) for the taxes, interest and penalty applicable to the taxpayer's transient rental transactions; (v) the date of the communication. Upon receipt of such information from the other party, the receiving party shall give written notification to the other party as to its agreement or disagreement as to the determination of the taxpayer's liability. This written notification shall be in a format equivalent to that set forth in Appendix A to this Agreement. If there is no written response within ten (10) business days from the postmark date of the notification or the date of receipt if transmitted by a method other than U.S. Mail, unless an extension is granted in writing, then this failure to timely respond shall be deemed to constitute an agreement by that party as to the other party's determination.

F. If DOR or County fail to agree with the other party's calculation as to the amount of the taxpayer's liability owed to DOR or County, then the taxpayer will be notified that the taxpayer will need to resolve its liabilities directly with the party to whom such liabilities are owed.

G. The disclosing taxpayer will be instructed by the party calculating the liabilities that it is required to remit a separate check directly to each party in order to satisfy the liability of the taxpayer with respect to that particular party.

H. If the financial condition of the disclosing taxpayer demonstrates that the taxpayer will be unable to pay in one lump sum its total liability to both DOR and County, the Parties will work together to formulate a stipulated payment plan for the taxpayer. If the Parties are unable to reach agreement as to an acceptable payment plan, then the taxpayer's liability to each party shall be divided by the largest number of payment months that either party is willing to grant to the taxpayer. The resultant amount for each party will be the monthly amount that the taxpayer needs to remit to that party.

I. Each party retains the right to audit the taxpayer to verify the taxpayer's liability to that party, and the taxpayer will be so advised.

5. If the disclosing taxpayer is registering with DOR or County as part of its disclosure, then the party receiving the registration will advise the taxpayer of the necessity of registering directly with the other party.

6. Once the disclosing taxpayer settles its liability with the party handling the disclosure process, that party will forward to the other party, within five (5) working days of the

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finalization of the disclosure, notification that the disclosure process has been completed. The notification will set forth the disclosing party's name and taxpayer identification number, and will include copies of any agreements with the disclosing taxpayer.

7. DOR will include in its public programs pertaining to voluntary disclosure, information as to the fact that taxpayers which voluntarily disclose sales tax liability pertaining to transient rental transactions will, providing certain conditions are met, also be provided with assistance by DOR with respect to their local tourist tax obligations to the county or counties in which they conduct their transient rentals transactions.

8. The term of this Agreement shall begin on _____, and continue until either the date on which: (a) one party provides the other party with written notice of its intention to no longer participate in this agreement; or (b) the County ceases to self-administer the local tourist taxes with respect to their transient rental transactions.

9. Written notices required to be, or which may be, given pursuant to this Agreement shall be given to the parties at the following addresses:

--To DOR:

Leigh Ceci
Technical Assistance and Dispute Resolution
P.O. Box 7443
Tallahassee, Florida 32314-7443

--To County:

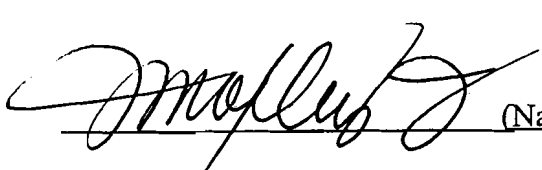
Ted Selby
Financial Services
P.O. Box 4000
Fernandina Beach, FL 32035-4000

APPROVED:


Executive Director
DEPARTMENT OF REVENUE
STATE OF FLORIDA

Signed at Tallahassee, FL

(Date)

 (Name)
Clerk of Courts (Title)
Nassau (County)

Signed at Yulee, FL

November 19, 2001 (Date)

APPENDIX A

RESPONSE FORM-

AGREEMENT/DISAGREEMENT WITH DETERMINATION OF TAXPAYER'S LIABILITY FOR
TRANSIENT RENTALS TRANSACTIONS:

TAXPAYER'S NAME OR IDENTIFICATION CODE: _____

DOR/COUNTY:

1. ☐ AGREES WITH THE CALCULATION OF THE ABOVE TAXPAYER'S LIABILITY
FOR TAX, INTEREST AND PENALTY TO DOR/COUNTY WHICH PERTAINS TO THE
TAXPAYER'S TRANSIENT RENTALS TRANSACTIONS.

2. ☐ DOES NOT AGREE WITH THE CALCULATION OF THE ABOVE
TAXPAYER'S LIABILITY FOR TAX, INTEREST AND PENALTY TO DOR/COUNTY
WHICH PERTAINS TO THE TAXPAYER'S TRANSIENT RENTALS TRANSACTIONS,
FOR THE FOLLOWING REASONS:

3. ADDITIONAL COMMENTS:

SIGNATURE: _____

DATE: _____