



# This Week in State Tax (TWIST)

September 29, 2025



## Washington: DoR expands availability of VDA program – a bit

The Washington Department of Revenue recently announced an expansion of the eligibility criteria for its Voluntary Disclosure Agreement (VDA) program effective September 1, 2025. The VDA program allows previously unregistered businesses to come into compliance with state tax laws by voluntarily registering with the state and paying tax liabilities from prior periods. In exchange for coming forth voluntarily, the state limits the “look back” period to four years plus the current year and waives up to 39 percent in potential penalties.

Prior to the change, a business was eligible for the VDA program only if it had never been registered with the Department, reported taxes to the Department, or received communication from the Department that they may be required to register. With the recent update, if a business was previously registered with the Department but closed that registration before the statutory period for which it now seeks a VDA (i.e., before January 1, 2021 for most taxes), then that taxpayer is now permitted to participate in the Washington VDA program. Likewise, if a business received communication from the Department that they may be required to register with the Department, but such communication occurred before the statutory period, the taxpayer is now permitted to participate in the VDA program. A taxpayer with an active registration at the beginning of the statutory period are not eligible for the VDA program but may be eligible for a waiver of the 5 percent assessment penalty.

Note that these VDA program changes are in addition to those covered in [SALT Alert! 2025-09](#), discussing the temporary expansion to the program for investment income. For questions regarding changes to Washington [VDA Program](#), please contact [Michele Baisler](#), [Alex Low](#), or [Jayson Miller](#).

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