



# CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

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## DENVER TAX AMNESTY PROGRAM Frequently Asked Questions (FAQs)

The following are answers to frequently asked questions regarding the tax amnesty program. If you should need further assistance, please call the Treasury Division-Audit Unit at 720-913-9330.

- 1. Q: When is Denver's tax amnesty program being offered and which taxes are eligible?**  
**A:** Denver's tax amnesty program will run for 3 months: from October 1 to December 30, 2011. Eligible taxes under amnesty are sales tax, retailer's use tax, consumer's use tax, and occupational privilege tax, for tax liabilities incurred on or before June 30, 2011. All other taxes, including property tax, are NOT eligible for amnesty.
- 2. Q: Why should I participate in tax amnesty?**  
**A:** Tax amnesty is an opportunity for almost anyone, whether a business or an individual, whether currently licensed with Denver or unlicensed, who has a Denver sales tax, use tax, or occupational privilege tax liability, to pay those back taxes with no penalties and at a greatly reduced interest rate.
- 3. Q: When must my amnesty application be filed?**  
**A:** Mailed applications must be postmarked no later than December 30, 2011. If you choose to hand deliver the application, it must be received in the Treasury Division by the close of business at 5:00 p.m., Denver time, on December 30, 2011.
- 4. Q: What do I have to do if I wish to participate?**  
**A:** You will first need to read the general guidelines of the program and determine if you are eligible to participate. If you are, then determine your liability for previously unreported back taxes and fully complete the tax amnesty application form. Mail or deliver (to the address listed on the application form) the completed application form, along with a check for full payment of back taxes and appropriate interest charges, on or before the amnesty deadline of December 30, 2011.

5. **Q: If I'm not currently licensed or registered to collect Denver sales tax, or remit Denver use tax, or withhold Denver occupational privilege tax, will I be required to become licensed or registered should I choose to participate in tax amnesty?**  
**A:** For now, simply submit the tax amnesty application with payment. When our Treasury Division staff review your application, they will determine whether or not your business is required to be licensed or registered. If so, you will be notified and be provided the proper forms to complete. In most cases, the answer will be "yes" for all three of these taxes, unless your business is now closed, or no longer conducts any business activity in Denver. Even non-resident-businesses that only make or deliver occasional sales in Denver may be required to become licensed.
6. **Q: Will I be notified as to whether or not my amnesty application has been accepted?**  
**A:** We anticipate that nearly all amnesty applications will be accepted. Therefore, generally, you will not be notified in cases where your amnesty application has been accepted. However, if you wish, you may call the amnesty phone number provided to receive verbal confirmation. You will be contacted should your amnesty application not be accepted. You will be provided a reason for denial of the application. In such cases, payment received will be applied to any outstanding Denver sales tax, use tax, or occupational privilege tax liabilities you may have, and will not be refunded.
7. **Q: What if I pay back taxes during tax amnesty, then later determine I paid the wrong amount?**  
**A:** Please be as careful and accurate as possible when computing your liability for back taxes owed. The tax amnesty rules do not allow for refunds or credits of taxes paid for any period reported under tax amnesty. Any taxes later discovered to be owed subsequent to the amnesty period, are still expected to be remitted to Denver along with full penalty (15%) and interest (1% per month delinquent) charges.
8. **Q: If I file a tax amnesty application and pay back taxes, can these taxes be appealed?**  
**A:** No, the rules do not permit an appeal of taxes paid for any period reported under tax amnesty.
9. **Q: For tax periods applicable to my payment of back taxes under the tax amnesty program, does my payment mean I'm completely released from liability for those periods?**  
**A:** No. If additional taxes are still due for those periods, you are still required to pay these taxes. Furthermore, Denver may later contact you to conduct a tax compliance audit of these periods, and any additional taxes found to be due will be subject to full penalty and interest charges. The statute of limitations for compliance audits is generally 3 years, or 10 years for use taxes due on capital asset purchases.
10. **Q: Are my chances of being audited greater if I file an amnesty application?**  
**A:** Very unlikely. Tax amnesty applications will be treated in a similar manner as other tax returns filed with Denver. Actually, the filing of the application along with payment of back taxes will likely reduce your chances of being audited.

- 11. Q: I purchased some expensive items over the Internet. Because these were Internet purchases, I paid no sales tax, even though they were shipped to my Denver residence. What should I do?**
- A:** You will very likely have a use tax liability on the price paid for these items. Participating in the amnesty program offers a great incentive to clear up these back taxes.
- 12. Q: My primary residence is in Denver, and I recently purchased a motor vehicle. I erroneously registered the vehicle at my cabin in the mountains, and failed to pay the Denver sales tax as required by law. Should I pay this under tax amnesty?**
- A:** Now would be the ideal time to pay these taxes owed to Denver. Denver has various means to track down illegal or improper motor vehicle registrants. Failure to pay these taxes during amnesty may subject you to extremely high penalties (50% if fraud is involved), full interest, and potential civil or criminal prosecution.
- 13. Q: Are tax amnesty applications confidential?**
- A:** All taxpayer information, including information on a tax amnesty application, is considered confidential information under the *Denver Revised Municipal Code* (DRMC). However, the DRMC does allow taxpayer information to be shared with IRS and the State of Colorado and its political subdivisions.
- 14. Q: Is there a statute of limitations limiting how far back I can file under tax amnesty?**
- A:** No. You may file for any periods you determine to have unpaid back taxes, for all sales, use, and occupational tax liabilities incurred on or before June 30, 2011.
- 15. Q: Do I need to submit separate checks or separate applications for each type of tax?**
- A:** No. Simply submit a single check along with one application form.
- 16. Q: I'm currently making payments to Denver under an installment agreement for taxes owed. May I apply to have interest and penalty waived or reduced?**
- A:** No. Amnesty is not available for any tax period in which – prior to the start of the amnesty program – you had previously entered into an agreement to pay.
- 17. Q: I'm currently under audit by Denver on one of my business accounts, and I'm also trying to clear up some delinquent filings on another account. Can I use the amnesty program to clear up these taxes?**
- A:** Yes, unless Denver has already issued a Notice of Delinquency, Notice of Underpayment, or Notice of Final Determination, Assessment, and Demand for Payment – otherwise referred to as an assessment notice – for any of these tax periods. However, even if you decide to remit these taxes under amnesty, the Denver auditor or revenue agent may still determine that additional taxes are due. Any additional taxes determined to be due over and above what was reported under amnesty will be assessed with full penalties and interest charges.