



COLORADO SPRINGS 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 Sales Tax Department at 719-385-5903.

- 1. Q: What taxes are eligible for tax amnesty?**
A: Sales, use, lodgers, auto rental, bicycle and motion picture tax.
- 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 Colorado Springs or unlicensed, who has a Colorado Springs sales, use, lodgers, auto rental, bicycle or motion picture 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 August 14, 2009. If you choose to hand deliver the application, it must be received in the Revenue and Collections Division office by the close of business at 5:00 p.m., Colorado Springs time, on August 14, 2009.
- 4. Q: What do I have to do if I wish to participate?**
A: You will first need to read the rules and determine whether or not you are eligible to participate. If you are, then determine your liability for 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 full payment of back taxes and appropriate interest charges, on or before the amnesty deadline of August 14, 2009.
- 5. Q: If I'm not currently licensed to collect Colorado Springs sales, lodgers, auto rental, bicycle or motion picture tax, or remit Colorado Springs use tax, will I be required to become licensed should I choose to participate in tax amnesty?**
A: For now, simply submit the tax amnesty application with payment. When the Sales Tax Department staff review your application, they will determine whether or not your business is required to be licensed. If so, you will be notified and be provided the proper forms to complete. In most cases, the answer will be "yes" for all of these taxes, unless your business is now closed, or no longer conducts any business activity in Colorado Springs. Even non-resident-businesses that only make or deliver occasional sales in Colorado Springs 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 Colorado Springs sales, use, lodgers, auto rental, bicycle or motion picture 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 during tax amnesty. Any taxes later discovered to be owed subsequent to the amnesty period, are still expected to be remitted to Colorado Springs along with full penalty (10%) and interest applicable for the time period.
- 8. Q: If I file an amnesty application and pay back taxes, can these taxes be appealed?**
- A:** By participating in the tax amnesty program, you waive your right to file for a refund or appeal the tax paid.
- 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, Colorado Springs 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 3 years.
- 10. Q: Are my chances of being audited greater if I file an amnesty application?**
- A:** Very unlikely. Amnesty applications will be treated in a similar manner as other tax returns filed with Colorado Springs. 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 Colorado Springs 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 Colorado Springs, and I recently purchased a motor vehicle. I erroneously registered the vehicle at my cabin in the mountains, and failed to pay the Colorado Springs 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 Colorado Springs. Colorado Springs has various means to track down illegal or improper motor vehicle registrants. Failure to pay these taxes during amnesty may subject you to penalties, 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 Colorado Springs Sales Tax Ordinance 2-7-806. However, the Sales Tax Ordinance 2-7-806 (E) 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 March 31, 2009.

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 Colorado Springs under an installment agreement for taxes owed. May I apply to have interest and penalty waived or reduced?

A: No. This is covered in the rules under the "not eligible" section.