

Sales/Use/Indirect:

Colorado DOR Proposes Rules on Refund Claims and Potential Penalties on Incomplete Claims

Proposed Regs. sections 39-26-703 – 1, 39-26-703 – 2, Colo. Dept. of Rev. (9/25/23). Reflecting legislation enacted last year that permits the Colorado Department of Revenue (Department) to assess and collect a new civil penalty if a purchaser files a Colorado sales and use tax refund claim for certain tax years that is incomplete, duplicative of another claim, or lacks a reasonable basis in law or fact [see H.B. 1118 (2022), and *State Tax Matters*, Issue 2022-17, for more details on these law changes], the Department is proposing a new rule intended to provide guidance regarding the penalty imposed for incomplete refund claims. The rule also prescribes the form for making an application for refund of sales or use taxes and the data, information, and documentation an applicant must provide. Another proposed rule provides guidance regarding protective refund claims for sales and use tax paid to a seller. A virtual public hearing on the proposals is scheduled for November 2, 2023, and any written comments are due on the same date. Please contact us with any questions.

URL: <https://tax.colorado.gov/news-article/notice-of-proposed-rulemaking-house-bill-22-1118-buyers-claims-for-refund-of-sales-tax>

URL: <https://leg.colorado.gov/bills/hb22-1118>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220429_9.html

— Lance Williams (Denver)
Managing Director
Deloitte Tax LLP
lancwilliams@deloitte.com

Jeff Maxwell (Denver)
Senior Manager
Deloitte Tax LLP
jemaxwell@deloitte.com

Metisse Lutz (Denver)
Senior Manager
Deloitte Tax LLP
mlutz@deloitte.com

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