

Sales/Use/Indirect:

Colorado DOR Adopts Rule on Refund Claims and Potential Penalties on Incomplete Claims

New Reg. section 39-26-703-2, Colo. Dept. of Rev. (1/2/24). Reflecting legislation enacted in 2022 year that permits the Colorado Department of Revenue (Department) to assess and collect a special 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 adopted a new rule intended to provide guidance regarding the penalty imposed for incomplete refund claims, as well as protective refund claims for sales and use tax paid to a seller. The rule also prescribes the form for making an underlying application for refund of sales or use taxes and the data, information, and documentation an applicant must provide. Please contact us with any questions.

URL: <https://www.coloradosos.gov/CCR/eDocketDetails.do?trackingNum=2023-00634>

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

URL: https://dhub.deloitte.com/Newsletters/Tax/2022/STM/220429_9.html

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