

MGT-25

Tax amnesty program

When staff members of the city of Denver, Colorado (555,000), department of revenue were asked to come up with cost-saving or revenue-producing ideas, they came up with the idea of a tax amnesty program based on the many state amnesty programs that have taken place. Taxpayers were offered amnesty over the summer of 2003, and the city was delighted with the program's success.

Implementation notes

Leadership/staffing The idea was developed by several members of the department of revenue in the city's treasury division. The staff obtained the city attorney's approval prior to proceeding, and the mayor expressed his support for the program.

Budget/funding The city spent just \$295 (not counting staff time) to promote the program through flyers.

Timeline Staff began discussing the idea in the fall of 2002. When the state announced plans in March 2003 for a state tax amnesty program in June, city staff decided to run Denver's amnesty concurrently with the state program. Denver's tax amnesty program ran from June through August 2003.

Program description The city decided to offer amnesty to individuals who owed sales tax, use tax, or occupational privilege tax (an employment tax). Taxpayers who had received a delinquency notice from the city or had been selected for an audit were not eligible for the program, as its purpose was to encourage taxpayers to take the initiative. Interested taxpayers downloaded a form from a special amnesty Web site set up by the city and submitted an application along with the taxes owed. City staff reviewed the applications and, for eligible taxpayers, waived all the penalties (15 percent) and half the interest owed (1 percent per month). Many taxpayers learned about Denver's amnesty program by visiting the Web site for the Colorado amnesty program, which was heavily promoted and included a link to Denver's amnesty Web site. Denver's Web

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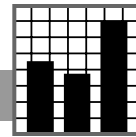
Treasury Division, Department
of Revenue
City of Denver
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Denver, CO 80202

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site included a link to the state amnesty site, as well as the program's rules, application form, and frequently asked questions. The city also distributed flyers advertising the amnesty to all taxpayers in its records, as well as to all CPA and law firms in the area. Both the Colorado Bar Association and the Colorado Society of CPAs did stories on the program that were published in their newsletters and on their Web sites.

Results The city received 219 applications for amnesty and approved 199 of these. These applications generated \$2.1 million. Another \$3.3 million came from a single company that was not eligible for amnesty because it had been notified by the city that it owed taxes, but the company paid its taxes in the hope of reducing its penalties as part of the tax amnesty program. The 219 applicants included 78 individuals and businesses that had not previously been registered as taxpayers, so another benefit was an increase in the number of registered taxpayers in the city.



Announcing
(For a Limited Time Only)
DENVER TAX AMNESTY PROGRAM

WHO: Licensed and unlicensed businesses and individuals, who have unreported taxes due to the City and County of Denver and have not been issued a Notice of Delinquency, Underpayment, or Assessment, or been contacted by Denver to schedule an audit.

WHAT: Sales Tax, Use Tax, and Occupational Privilege Tax for any period ending on or before March 31, 2005.

WHEN: June 2003 through August 29, 2005

WHY: To HELP!

- Businesses can save penalty and half the interest costs on unreported or underpaid Denver taxes.
- Denver can speed up collections and add previously unlicensed businesses to the tax rolls.
- Other businesses will benefit from the "level playing field" of competitors paying their fair share of taxes due.

HOW: Submit a completed Application for Tax Amnesty with payment of the tax due plus one-half the normal interest due.

WHERE: Go get details on application:
www.denvergov.org/www/cfo/taxamnesty
Or
Denver Treasury
144 West Colfax Ave
Denver, CO 80202
720-688-7211



THE CITY OF DENVER
Application for Tax Amnesty

Available for March through 29, 2005 at Denver Treasury Department, 144 West Colfax Avenue

Instructions:

- Please print legibly in black ink on one side of the page. All entries must be legible.
- Completed applications must be submitted to the Denver Treasury Department, 144 West Colfax Avenue, Denver, CO 80202.
- Applications will be reviewed for completeness and accuracy. Incomplete applications will not be accepted.
- Payment of taxes due must be received by the City of Denver on or before March 31, 2005.
- Applications will be reviewed for completeness and accuracy. Incomplete applications will not be accepted.

Applicant Information:

Name of Applicant: _____
 Taxpayer ID Number: _____
 Business Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____

Applicant Information:

Name of Applicant: _____
 Taxpayer ID Number: _____
 Business Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____

Tax Information:

| Tax Type | Amount | Interest | Penalty | Total |
|----------------------------|--------|----------|---------|-------|
| Sales Tax | | | | |
| Use Tax | | | | |
| Occupational Privilege Tax | | | | |
| Total | | | | |

Declaration:

I, _____, declare that the information provided on this application is true and correct to the best of my knowledge and belief. I understand that if I provide false information, I may be subject to criminal and civil penalties.

Signature: _____
Date: _____

City of Denver: _____
Date: _____