



## CITY OF LONGMONT | Sales and Use Tax Division

### Voluntary Disclosure Program Information

#### Purpose

Voluntary Disclosure is the process of reporting undisclosed liabilities for a tax administered by the City of Longmont. Taxpayers may anonymously enter into agreements and voluntarily pay their taxes with a reduced or no penalty. In most cases, taxpayers enjoy a limited “look-back” period. The voluntary disclosure program helps coordinate the registration and payment process and provides general responses to tax related questions. The City has a voluntary disclosure program for some of the taxes it administers, including:

- Sales & Use Tax
- Lodgers Tax
- Special Retail Marijuana Sales Tax

#### Who is eligible?

Any taxpayer who has a filing requirement for a qualified tax administered by the City, is not currently registered with the City for the same tax, and has not been previously contacted by the City or its agents concerning their filing requirement, is eligible for consideration of a Voluntary Disclosure Agreement (VDA). A company that is currently registered with the City may request a VDA for an entity it has acquired by purchase or merger provided the acquired company would have qualified under the conditions listed above. Only the undisclosed taxes of the acquired company for taxes due prior to the acquisition or merger would be eligible for a VDA.

#### Who is not eligible?

A taxpayer who is registered but failed to file returns or who submitted returns, extensions, or payments for any tax for which the VDA is requested is not eligible for consideration. These taxpayers must file the appropriate original or amended return(s) and pay the tax, interest, and delinquent penalty due. However, the taxpayer may request a waiver of the penalty for good cause shown.

A taxpayer who has been contacted by the City or its agents concerning a liability or potential liability of tax for which a VDA is requested generally does not qualify. This includes any contact made for the purpose of performing an audit of the taxpayer’s records. Disclosures relating to delinquencies or deficiencies that are obvious and would routinely generate a billing if not otherwise self-disclosed are not eligible for consideration. Disclosures related to the non-filing affiliates of a taxpayer who has been contacted for audit are not eligible for consideration.

#### What are the benefits to the taxpayer?

After the tax and interest liabilities have been promptly paid for the look-back period, delinquent penalties are eligible to be waived unless the tax being disclosed has been collected but not remitted. In instances where tax is collected but not remitted, a request to waive some portion of the penalty would be considered on a case-by-case basis.

### **How far back will the City look?**

The look-back period includes periods as provided in the Longmont Municipal Code had returns been filed timely. Generally, this includes not more than three years after the date on which the tax was or is payable. Failure to take advantage of this program could result in the City holding the taxpayer liable for all periods for which returns should have been filed. In the case of taxes collected but not remitted, the look-back period will include all taxable periods for which they were collected but unremitted taxes.

### **How do I apply?**

You may apply anonymously by completing the City's Application for Voluntary Disclosure Agreement and submitting it by US mail at 350 Kimbark Street, Longmont, CO 80501. You must provide all of the information required with the application before your request will be considered. If it is determined that you would qualify to participate in the program based on your responses to the application, the City will begin executing the VDA with you or your representative.

You must incorporate all facts and representations regarding your situation on the agreement. The City will consider all available information before deciding to enter into the agreement and may request additional information as needed. You may remain anonymous until after the agreement is signed by both parties.

### **Additional Questions / Concerns**

If you have any other questions or concerns, please contact us at 303-651-8672.