



Tax Compliance Guide

Notice of Assessment Appeals & Protests Topic 324

(07/2012)

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When the City determines that a tax deficiency exists, a Notice of Assessment is issued to the taxpayer. This is a legal notice and demand for payment, and should be read carefully, as immediate action is required. The City may issue a Notice of Assessment for a tax deficiency or estimated tax deficiency resulting from:

- ❖ An audit of a taxpayer's records;
- ❖ An underpayment of the amount due on a City tax return;
- ❖ Failure to file a City tax return (estimated assessment); or
- ❖ Failure to provide adequate records for an audit (estimated assessment).

Estimated return assessments, issued for failure to file a City tax return, may be adjusted if the actual return is filed. The return must report the actual tax liability and be filed on or before the payment due date listed on the Notice of Assessment.

Penalties and Interest

A Notice of Assessment will include penalty and interest charges for failing to timely report and pay taxes due. A penalty of 10% (minimum of \$15.00) is assessed on the tax due. Interest accrues on the tax due in whole month increments on the 21st of each month at the rate of 1% per month. A special penalty of 15% of the total tax, penalty, and interest due may also be assessed in cases of chronic delinquency.

The *Westminster Municipal Code* empowers the Finance Director to abate penalty charges for good cause. Requests for abatement of penalty should be made in writing on or before the due date shown on the assessment. **In general, penalty abatement will not be considered unless all tax and interest outstanding has been paid in full.** The Code prohibits the abatement of properly assessed interest.

Payment Due Date

A Notice of Assessment becomes final, due and payable 30 days from the date of mailing (the due date listed on the Notice) unless within that 30-day period, the taxpayer files a written protest requesting review and modification of the assessment. All protests must be postmarked on or before the payment due date shown on the Notice of Assessment. This deadline cannot be extended. Protests must be filed in accordance with the *Rules Governing*

Hearings before the Finance Director. A timely filed protest does not stop the accrual of interest during the local hearing process or during subsequent appeals.

Filing a Protest

Taxpayers are advised to review the *Rules Governing Hearings before the Finance Director* prior to filing a protest. This regulation outlines the process for resolving disputes and contains the requirements for proper filing. This regulation may be obtained in the *Tax and License Toolbox* section of the City website. Note that improperly filed protests may be refused and the time for proper filing cannot be extended. Protests must contain, without limitation, the following:

- ❖ The Notice of Assessment or denial of claim for refund protested (the assessment number and date of issuance);
- ❖ The amount and type tax disputed;
- ❖ A concise statement of all claims asserted as the basis for the protest;
- ❖ The name, address, and telephone number of the legal representative authorized to present the case on behalf of the taxpayer;
- ❖ The name and address of the taxpayer; and
- ❖ The signature of the taxpayer or the signature and title of its corporate agent.

Protest Resolution

When the City receives a properly filed, timely protest, the Finance Director may schedule an informal meeting, or proceed to hearing. An informal meeting with the taxpayer is an attempt to resolve the issues without holding a formal hearing. An informal meeting does not waive the taxpayer's right to a hearing. If the issues cannot be resolved, a hearing will be scheduled.

Hearings are held in accordance with the *Rules Governing Hearings before the Finance Director*. Legal counsel for the City will be present at the hearing. The taxpayer may also have their counsel present. Hearings are conducted before the Finance Director or before a duly appointed Hearing Officer.

The Hearing Officer's decision can be reviewed by the District Court or, in some cases, by the Colorado Department of Revenue.

Citations

Westminster Municipal Code

- § 4-1-18. Underpayments from Returns
- § 4-1-19. Failure to File Return; Failure to Provide Adequate Records for Audit; Estimated Notice of Assessment
- § 4-1-20. Tax Deficiencies Determined through Audit
- § 4-1-21. Penalties
- § 4-1-22. Interest
- § 4-1-23. Notice of Assessment
- § 4-1-25. Protest of Notice of Assessment or Denial of Refund
- § 4-1-26. Hearings
- § 4-1-27. Appeals

Rules Governing Hearings before the Finance Director

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT WESTMINSTER TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE WESTMINSTER MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

Contact Us

For additional assistance, please contact us:

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Administrative offices are open Monday through Thursday from 7:00a.m. to 6:00p.m. (closed Friday).

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From the Business menu, choose Tax and License Toolbox