
NOTICE OF ASSESSMENT, APPEALS AND PROTEST

When the City of Arvada 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% 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. The Arvada 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. 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 assessment (the due date listed on the Notice of Assessment) 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 and Procedures for Sales and Use Tax Administrative Hearings***. 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 and Procedures for Sales and Use Tax Administrative Hearings*** to filing a protest. This regulation outlines the process for resolving disputes and contains the requirements for proper filing. Protests must contain, without limitation, the following:

1. The Taxpayer's name, address and account number (if any);
2. The name, address and telephone number of any legal representative of the Taxpayer;
3. The taxable period(s) involved;
4. The Taxpayer's assertion of the amount of tax and/or interest and penalties in dispute;
5. An itemized list of specific transactions that are being protested;
6. A specific statement in response to the City's findings and determinations with which the Taxpayer does not agree. The Taxpayer must set forth the facts relied upon, together with a statement of the law in support of their position on the protested issues;
7. Any constraints that the Taxpayer may have concerning the date of the hearing, which is to be held within 90 days after receipt of the Protest.
8. The signature of the Taxpayer or its corporate agent.

PROTEST RESOLUTION

When the City receives a properly filed, timely protest, the Finance Director may schedule and informal conference, or proceed to hearing. An informal conference with the taxpayer is an attempt to resolve the issues without holding a formal hearing. Participation in the informal conference does not waive any of the Taxpayer's or the City's rights to an administrative hearing or a pre-hearing conference as provided in A.C.C. § 2-181.

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

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

Arvada Sales / Use Tax Code – Chapter - 98

Sec. 98-74. - Disputes; refunds.

Should a dispute arise between the seller and the purchaser as to whether or not any sale, service or commodity is exempt under this article, nevertheless the seller shall collect and the purchaser shall pay such tax, and the seller shall thereupon issue to the purchaser an appropriate receipt showing the details of the transaction. The purchaser thereafter may apply to the finance director for a refund in the manner prescribed in this section for refunds. Refunds may be applied for by submittal to the finance director on forms prescribed and furnished by the enforcement officer within 60 days of the date of purchase in instances of dispute, unintentional payment of tax on exempt purchases or an overpayment of taxes reported and paid by any taxpayer to the finance director. The finance director shall forthwith, after receipt of the application for refund, submit same to the enforcement officer for a determination of applicability. The finance director shall disburse to the applicant a refund when, such has been approved by the enforcement officer, or notify the applicant in instances of disapproval by the enforcement officer. (Code 1981, § 31-49; Ord. No. 3783, § 2, 12-16-2002)

Sec. 98-75. - Appeal of denial of refund and demand for hearing.

An appeal of a denial of a refund and demand for administrative hearing shall be submitted in writing to the finance director no later than 30 calendar days after the date of the denial of the refund and shall identify the amount of the refund requested and the basis for the appeal. Failure to appeal a denial of a refund and demand an administrative hearing shall constitute a waiver of the right to contest such denial. (Code 1981, § 31-49.1; Ord. No. 3783, § 2, 12-16-2002; [Ord. No. 4317, § 10, 3-5-2012](#))

Sec. 98-86. - Refusal to report; estimate of tax.

(a) In the event any taxpayer neglects or refuses to report in accordance with the provisions of this article, thereby prohibiting the establishment by the finance director of an accurate and exact amount of tax due, the enforcement officer may, in any reasonable manner possible, estimate the amount of tax due, to which interest and penalty prescribed in sections 98-71 and 98-72 shall be added.

(b) When an estimate of tax is made, the enforcement officer shall serve a notice of assessment on the taxpayer by personal service, certified or registered mail or by leaving a copy with the person in charge at the taxpayer's business establishment. Unless the taxpayer files a written demand for an administrative hearing and determination of tax liability, as provided in section 98-99, within 30 calendar days after the date of the notice of assessment, he shall be deemed to have accepted the estimate as a fair and accurate determination of his tax obligation and shall thereby waive the right to contest that determination. In the event that such a hearing is held, the determination of the hearing officer shall be reviewable in the district court in accordance with law. (Code 1981, § 31-61; Ord. No. 3783, § 2, 12-16-2002; [Ord. No. 4317, § 11, 3-5-2012](#))

Sec. 98-99. - Appeal and demand for hearing.

In the event that the taxpayer or vendor disputes a notice of assessment issued to the vendor or taxpayer for failure to file a return, underpayment of tax owed or as a result of an audit, or disputes a denial of a refund, he shall no later than 30 calendar days after the date of the notice of assessment or denial of refund file a written appeal and demand for an administrative hearing which demand will stay the sale under any pending distraint warrant (until the conclusion of the hearing). Any such appeal and demand for hearing shall identify the amount of tax disputed and the basis for the appeal. In the event that it is determined at the hearing that the taxpayer's liability is less than the amount in the possession of the finance director, if any, such excess shall be paid to the taxpayer forthwith. Failure to file a written appeal and demand for an administrative hearing shall constitute a waiver of the right to contest such liability; however, when such hearing is requested, the final decision rendered therein shall be appealable to the district court as provided by law. (Code 1981, § 31-68; Ord. No. 3783, § 2, 12-16-2002; [Ord. No. 4317, § 13, 3-5-2012](#))

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT ARVADA TAX LAW FOR THIS SUBJECT, INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE ARVADA TAX CODE. HOWEVER, THE TAX GUIDE SHALL BE USED IN CONJUNCTION WITH THE ARVADA TAX CODE (CHAPTER 98) IN DETERMINING TAX LIABILITY