

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 17-0900.01 Esther van Mourik x4215

SENATE BILL 17-194

SENATE SPONSORSHIP

Neville T.,

HOUSE SPONSORSHIP

Pabon,

Senate Committees
Finance

House Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING AN EXCEPTION TO THE STATUTORY DEADLINES FOR**
102 **MAKING INCOME TAX REFUNDS FOR RETURNS SUSPECTED OF**
103 **REFUND-RELATED FRAUD.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law requires the department of revenue to meet certain deadlines in sending out income tax refunds:

- ! 14 days for returns filed in January;
- ! 21 days for returns filed in February;
- ! 28 days for returns filed in March; and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
2nd Reading Unamended
March 14, 2017

SENATE
3rd Reading Unamended
March 1, 2017

SENATE
2nd Reading Unamended
February 28, 2017

! 45 days for returns filed in April.
If these statutory deadlines are not met, a penalty and interest is added as specified in statute. Current law also identifies certain exceptions to these requirements.

The bill specifies that if the department of revenue makes a determination, in good faith, that there is a suspicion of identity theft or other refund-related fraud, then the deadlines do not apply.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-622, **amend**
3 (4) as follows:

4 **39-22-622. Refunds.** (4) (a) The provisions of subsection (2) of
5 this section shall not apply:

- 6 (I) To any return that is being audited; ~~or~~
- 7 (II) To any return that may take longer than normal to process due
8 to the mathematical or clerical errors contained in said return;
- 9 (III) To unforeseen delays caused by the failure of processing
10 equipment;
- 11 (IV) Because of a tax credit allowed in section 39-22-531; ~~or~~
- 12 (V) Because the taxpayer claimed an enterprise zone tax credit
13 pursuant to article 30 of this ~~title~~ TITLE 39 and the department OF
14 REVENUE is awaiting confirmation from the Colorado office of economic
15 development that the taxpayer is eligible for such credit; OR
- 16 (VI) TO ANY RETURN WHERE THERE IS A SUSPICION OF IDENTITY
17 THEFT OR OTHER REFUND-RELATED FRAUD.

18 ~~Such determinations shall be made in good faith by~~ The
19 department of revenue SHALL MAKE A DETERMINATION, IN GOOD FAITH,
20 WHETHER ANY OF THE EXCEPTIONS SET FORTH IN SUBSECTION (4)(a) OF
21 THIS SECTION APPLY.

22 **SECTION 2. Applicability.** This act applies to income tax

1 returns filed on or after the effective date of this act.

2 **SECTION 3. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.