

CHAPTER 248

TAXATION

HOUSE BILL 01-1312

BY REPRESENTATIVE(S) Grossman, Scott, Coleman, Dean, Garcia, Groff, Jameson, Lee, Mace, Mitchell, Plant, Ragsdale, Romanoff, Sanchez, and Tapia;
also SENATOR(S) Andrews, Cairns, Dyer (Durango), Dyer (Arapahoe), May, Musgrave, and Owen.

AN ACT

CONCERNING THE CONFORMANCE OF THE STATE PENALTY FOR FAILURE TO PAY ESTIMATED INCOME TAXES OWED TO THE FEDERAL PENALTY FOR FAILURE TO PAY SUCH TAXES.

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

SECTION 1. 39-22-605, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

39-22-605. Failure by individual to pay estimated income tax. (1) EVERY INDIVIDUAL SUBJECT TO TAXATION UNDER THE PROVISIONS OF THIS ARTICLE SHALL MAKE AND FILE ESTIMATED PAYMENTS IN THE AMOUNTS AND AS OTHERWISE SPECIFIED IN THIS SECTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) AN INDIVIDUAL IS A "FARMER" OR "FISHERMAN" FOR ANY TAXABLE YEAR IF:

(I) THE INDIVIDUAL'S GROSS INCOME FROM FARMING OR FISHING FOR THE TAXABLE YEAR IS AT LEAST TWO-THIRDS OF THE TOTAL GROSS INCOME FROM ALL SOURCES FOR THE TAXABLE YEAR; OR

(II) THE INDIVIDUAL'S GROSS INCOME FROM FARMING OR FISHING SHOWN ON THE RETURN OF THE INDIVIDUAL FOR THE PRECEDING TAXABLE YEAR IS AT LEAST TWO-THIRDS OF THE TOTAL GROSS INCOME FROM ALL SOURCES SHOWN ON SUCH RETURN.

(b) "RETURN" MEANS A COLORADO RETURN REQUIRED TO BE MADE OR FILED UNDER SECTION 39-22-601.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(c) "TAX" OR "TAX LIABILITY" MEANS THE TAX IMPOSED UNDER THIS ARTICLE MINUS THE CREDITS AGAINST TAX PROVIDED BY THIS ARTICLE OTHER THAN THE CREDITS AGAINST TAX FOR WITHHOLDING PURSUANT TO sections 39-22-604 and 39-22-604.5 and credits against tax for the sales tax refund pursuant to section 39-22-2003.

(3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN THE CASE OF ANY UNDERPAYMENT OF ESTIMATED TAX BY AN INDIVIDUAL, THERE SHALL BE ADDED TO THE TAX UNDER THIS ARTICLE FOR THE TAXABLE YEAR AN AMOUNT DETERMINED BY APPLYING THE RATE OF INTEREST ESTABLISHED UNDER SECTION 39-21-110.5 TO THE AMOUNT OF THE UNDERPAYMENT FOR THE PERIOD OF THE UNDERPAYMENT. THE PENALTY IMPOSED BY THIS SECTION SHALL BE THE ONLY PENALTY IMPOSED FOR UNDERPAYMENT OF THE ESTIMATED TAX REQUIRED BY THIS SECTION.

(4) FOR PURPOSES OF SUBSECTION (3) OF THIS SECTION:

(a) THE AMOUNT OF THE UNDERPAYMENT SHALL BE THE EXCESS OF THE REQUIRED INSTALLMENT OVER THE AMOUNT, IF ANY, OF THE INSTALLMENT PAID ON OR BEFORE THE DUE DATE FOR THE INSTALLMENT.

(b) THE PERIOD OF THE UNDERPAYMENT SHALL RUN FROM THE DUE DATE FOR THE INSTALLMENT TO WHICHEVER OF THE FOLLOWING DATES IS EARLIER:

(I) THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR; OR

(II) WITH RESPECT TO ANY PORTION OF THE UNDERPAYMENT, THE DATE ON WHICH SUCH PORTION IS PAID.

(c) FOR PURPOSES OF SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (4), A PAYMENT OF ESTIMATED TAX SHALL BE CREDITED AGAINST UNPAID REQUIRED INSTALLMENTS IN THE ORDER IN WHICH SUCH INSTALLMENTS ARE REQUIRED TO BE PAID.

(5) FOR PURPOSES OF THIS SECTION:

(a) THERE SHALL BE FOUR REQUIRED INSTALLMENTS FOR EACH TAXABLE YEAR.

(b) IN THE CASE OF THE FOLLOWING REQUIRED INSTALLMENTS, THE DUE DATE SHALL BE AS FOLLOWS:

INSTALLMENT	DUE DATE
1ST	APRIL 15
2ND	JUNE 15
3RD	SEPTEMBER 15
4TH	JANUARY 15 OF THE FOLLOWING TAXABLE YEAR

(6) FOR PURPOSES OF THIS SECTION, THE AMOUNT OF THE REQUIRED INSTALLMENTS

SHALL BE AS FOLLOWS:

(a) THE AMOUNT OF ANY REQUIRED INSTALLMENT SHALL BE TWENTY-FIVE PERCENT OF THE REQUIRED ANNUAL PAYMENT.

(b) FOR PURPOSES OF PARAGRAPH (a) OF THIS SUBSECTION (6), THE TERM "REQUIRED ANNUAL PAYMENT" MEANS THE LESSER OF:

(I) SEVENTY PERCENT OF THE TAXPAYER'S ACTUAL COLORADO TAX LIABILITY SHOWN ON THE RETURN FOR THE TAXABLE YEAR OR, IF NO RETURN IS FILED, SEVENTY PERCENT OF THE TAX FOR SUCH YEAR; OR

(II) (A) ONE HUNDRED PERCENT OF THE TAXPAYER'S ACTUAL COLORADO TAX LIABILITY SHOWN ON THE RETURN OF THE INDIVIDUAL FOR THE PRECEDING TAXABLE YEAR.

(B) SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II) SHALL NOT APPLY IF THE PRECEDING TAXABLE YEAR WAS NOT A TAXABLE YEAR OF TWELVE MONTHS OR IF THE INDIVIDUAL DID NOT FILE A COLORADO RETURN FOR SUCH PRECEDING TAXABLE YEAR.

(c) LIMITATION ON USE OF PRECEDING YEAR'S TAX:

(I) IF THE TAXPAYER'S FEDERAL ADJUSTED GROSS INCOME SHOWN ON THE RETURN OF THE INDIVIDUAL FOR THE PRECEDING TAXABLE YEAR BEGINNING IN ANY CALENDAR YEAR EXCEEDS ONE HUNDRED FIFTY THOUSAND DOLLARS, SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (6) SHALL BE APPLIED BY SUBSTITUTING ONE HUNDRED TEN PERCENT FOR ONE HUNDRED PERCENT.

(II) IN THE CASE OF A MARRIED INDIVIDUAL WHO FILES A SEPARATE RETURN FOR THE TAXABLE YEAR FOR WHICH THE AMOUNT OF THE INSTALLMENT IS BEING DETERMINED, SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) SHALL BE APPLIED BY SUBSTITUTING SEVENTY-FIVE THOUSAND DOLLARS FOR ONE HUNDRED FIFTY THOUSAND DOLLARS.

(III) FOR PURPOSES OF RETURNS FOR THE 2001 TAX YEAR, THE LIMITATION DESCRIBED IN THIS PARAGRAPH (c) SHALL NOT APPLY.

(d) WHEN THE TAXPAYER HAS ELECTED ANNUALIZED INSTALLMENTS FOR THE PAYMENT OF FEDERAL INCOME TAX, THE AMOUNT OF THE REQUIRED INSTALLMENT PURSUANT TO THIS SECTION AND THE CALCULATION OF ANY ADDITION TO TAX SHALL BE DETERMINED UNDER RULES PROMULGATED BY THE DEPARTMENT OF REVENUE.

(7) (a) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION FOR ANY TAXABLE YEAR IF THE TAX SHOWN ON THE RETURN FOR SUCH TAXABLE YEAR OR, IF NO RETURN IS FILED, THE TAX, REDUCED BY THE CREDITS ALLOWABLE UNDER SECTIONS 39-22-604, 39-22-604.5 AND 39-22-2003, IS LESS THAN ONE THOUSAND DOLLARS.

(b) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION FOR ANY TAXABLE YEAR IF:

(I) THE PRECEDING TAXABLE YEAR WAS A TAXABLE YEAR OF TWELVE MONTHS;

(II) THE INDIVIDUAL DID NOT HAVE ANY LIABILITY FOR TAX FOR THE PRECEDING TAXABLE YEAR; AND

(III) THE INDIVIDUAL WAS A RESIDENT OF COLORADO THROUGHOUT THE PRECEDING TAXABLE YEAR.

(c) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION WITH RESPECT TO ANY UNDERPAYMENT TO THE EXTENT THE EXECUTIVE DIRECTOR DETERMINES THAT THE UNDERPAYMENT WAS DUE TO GOOD CAUSE SHOWN BY THE TAXPAYER.

(d) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION WITH RESPECT TO ANY UNDERPAYMENT IF THE EXECUTIVE DIRECTOR DETERMINES THAT:

(I) THE TAXPAYER EITHER RETIRED AFTER HAVING ATTAINED AGE SIXTY-TWO OR BECAME DISABLED IN THE TAXABLE YEAR FOR WHICH ESTIMATED PAYMENTS WERE REQUIRED TO BE MADE OR IN THE TAXABLE YEAR PRECEDING SUCH TAXABLE YEAR; AND

(II) SUCH UNDERPAYMENT WAS DUE TO REASONABLE CAUSE AND NOT TO WILLFUL NEGLECT.

(8) (a) FOR PURPOSES OF APPLYING THIS SECTION, THE AMOUNT OF THE CREDITS ALLOWED UNDER SECTIONS 39-22-604, 39-22-604.5, AND 39-22-2003 FOR THE TAXABLE YEAR SHALL BE DEEMED A PAYMENT OF ESTIMATED TAX AND AN EQUAL PART OF SUCH AMOUNT SHALL BE DEEMED PAID ON EACH DUE DATE FOR SUCH TAXABLE YEAR, UNLESS THE TAXPAYER ESTABLISHES THE DATES ON WHICH ALL AMOUNTS WERE ACTUALLY WITHHELD, IN WHICH CASE THE AMOUNTS SO WITHHELD SHALL BE DEEMED PAYMENTS OF ESTIMATED TAX ON THE DATES ON WHICH SUCH AMOUNTS WERE ACTUALLY WITHHELD.

(b) THE TAXPAYER MAY APPLY PARAGRAPH (a) OF THIS SUBSECTION (8) SEPARATELY WITH RESPECT TO THE FOLLOWING:

(I) WAGE WITHHOLDING; AND

(II) ALL OTHER AMOUNTS WITHHELD FOR WHICH CREDITS ARE ALLOWED UNDER SECTIONS 39-22-604, 39-22-604.5, AND 39-22-2003.

(9) IF, ON OR BEFORE JANUARY 31 OF THE FOLLOWING TAXABLE YEAR, THE TAXPAYER FILES A RETURN FOR THE TAXABLE YEAR AND PAYS IN FULL THE AMOUNT COMPUTED ON THE RETURN AS PAYABLE, THEN NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION WITH RESPECT TO ANY UNDERPAYMENT OF THE FOURTH REQUIRED INSTALLMENT FOR THE TAXABLE YEAR.

(10) FOR PURPOSES OF THIS SECTION, IF AN INDIVIDUAL IS A FARMER OR FISHERMAN FOR ANY TAXABLE YEAR:

(a) THERE SHALL BE ONLY ONE REQUIRED INSTALLMENT FOR THE TAXABLE YEAR;

(b) THE DUE DATE FOR THE INSTALLMENT SHALL BE JANUARY 15 OF THE FOLLOWING TAXABLE YEAR;

(c) THE AMOUNT OF THE INSTALLMENT SHALL BE EQUAL TO THE REQUIRED ANNUAL PAYMENT DETERMINED UNDER PARAGRAPH (b) OF SUBSECTION (6) OF THIS SECTION BY SUBSTITUTING FIFTY PERCENT FOR SEVENTY PERCENT AND WITHOUT REGARD TO PARAGRAPH (c) OF SAID SUBSECTION (6); AND

(d) SUBSECTION (9) OF THIS SECTION SHALL BE APPLIED BY:

(I) SUBSTITUTING MARCH 1 FOR JANUARY 31; AND

(II) TREATING THE REQUIRED INSTALLMENT DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (10) AS THE FOURTH REQUIRED INSTALLMENT.

(11) (a) IN APPLYING THIS SECTION TO A TAXABLE YEAR BEGINNING ON ANY DATE OTHER THAN JANUARY 1, THERE SHALL BE SUBSTITUTED, FOR THE MONTHS SPECIFIED IN THIS SECTION, THE MONTHS THAT CORRESPOND THERETO.

(b) THIS SECTION SHALL BE APPLIED TO TAXABLE YEARS OF LESS THAN TWELVE MONTHS IN ACCORDANCE WITH RULES PRESCRIBED BY THE DEPARTMENT OF REVENUE.

(12) TWO TAXPAYERS WHO FILE A JOINT FEDERAL DECLARATION OF ESTIMATED TAX SHALL FILE A JOINT COLORADO DECLARATION OF ESTIMATED TAX. IN SUCH CASE, IF SUCH TAXPAYERS DO NOT FILE A JOINT COLORADO RETURN FOR THE TAXABLE YEAR, THE ESTIMATED TAX MAY BE TREATED AS THE ESTIMATED TAX OF EITHER TAXPAYER OR MAY BE DIVIDED BETWEEN THEM.

(13) ALL OF THE PROVISIONS OF THIS SECTION SHALL ALSO APPLY TO NONRESIDENT OR PART-YEAR RESIDENT TAXPAYERS.

(14) ALL OF THE PROVISIONS OF THIS ARTICLE AND ARTICLE 21 OF THIS TITLE RELATING TO THE POWERS OF THE EXECUTIVE DIRECTOR FOR THE ADMINISTRATION, ASSESSMENT, AND ENFORCEMENT OF TAXES REQUIRED TO BE PAID UNDER THIS ARTICLE SHALL APPLY TO THE PROVISIONS OF THIS SECTION.

(15) THE DEPARTMENT OF REVENUE SHALL PRESCRIBE SUCH RULES AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THIS SECTION. SUCH RULES SHALL BE PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

SECTION 2. 39-22-606, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

39-22-606. Failure by corporation to pay estimated income tax. (1) EVERY CORPORATION SUBJECT TO TAXATION UNDER THE PROVISIONS OF THIS ARTICLE AND ARTICLE 29 OF THIS TITLE SHALL MAKE AND FILE ESTIMATED PAYMENTS IN THE AMOUNTS AS SPECIFIED IN THIS SECTION.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

REQUIRES:

(a) "RETURN" MEANS A COLORADO RETURN REQUIRED TO BE MADE OR FILED UNDER SECTION 39-22-601 OR 39-29-112.

(b) "TAX" OR "TAX LIABILITY" MEANS:

(I) (A) THE TAX IMPOSED UNDER THIS ARTICLE; MINUS

(B) THE CREDITS AGAINST TAX PROVIDED BY THIS ARTICLE. FOR PURPOSES OF THIS SECTION, CREDITS INCLUDE ALL CREDITS WITHOUT REGARD TO WHETHER THEY ARE PREPAYMENT CREDITS OR REFUNDS OF EXCESS STATE REVENUE; AND

(II) (A) THE TAX IMPOSED UNDER ARTICLE 29 OF THIS TITLE; MINUS

(B) THE CREDITS AGAINST TAX PROVIDED BY ARTICLE 29 OF THIS TITLE OTHER THAN THE CREDIT AGAINST TAX FOR WITHHOLDING PROVIDED PURSUANT TO SECTION 39-29-111. FOR PURPOSES OF THIS SECTION, CREDITS INCLUDE ALL CREDITS WITHOUT REGARD TO WHETHER THEY ARE PREPAYMENT CREDITS.

(3) (a) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN THE CASE OF ANY UNDERPAYMENT OF ESTIMATED TAX BY A CORPORATION, THERE SHALL BE ADDED TO THE TAX UNDER THIS ARTICLE AND ARTICLE 29 OF THIS TITLE FOR THE TAXABLE YEAR AN AMOUNT DETERMINED BY APPLYING THE RATE OF INTEREST ESTABLISHED UNDER SECTION 39-21-110.5 TO THE AMOUNT OF THE UNDERPAYMENT FOR THE PERIOD OF THE UNDERPAYMENT.

(b) FOR PURPOSES OF THIS SUBSECTION (3), THE AMOUNT OF THE UNDERPAYMENT SHALL BE THE EXCESS OF THE REQUIRED INSTALLMENT OVER THE AMOUNT, IF ANY, OF THE INSTALLMENT PAID ON OR BEFORE THE DUE DATE FOR THE INSTALLMENT.

(c) THE PERIOD OF THE UNDERPAYMENT SHALL RUN FROM THE DUE DATE FOR THE INSTALLMENT TO WHICHEVER OF THE FOLLOWING DATES IS EARLIER:

(I) THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR; OR

(II) WITH RESPECT TO ANY PORTION OF THE UNDERPAYMENT, THE DATE ON WHICH SUCH PORTION IS PAID.

(d) FOR PURPOSES OF SUBPARAGRAPH (II) OF PARAGRAPH (c) OF THIS SUBSECTION (3), A PAYMENT OF ESTIMATED TAX SHALL BE CREDITED AGAINST UNPAID REQUIRED INSTALLMENTS IN THE ORDER IN WHICH SUCH INSTALLMENTS ARE REQUIRED TO BE PAID.

(4) FOR PURPOSES OF THIS SECTION, THERE SHALL BE FOUR REQUIRED INSTALLMENTS FOR EACH TAXABLE YEAR. THE DUE DATES FOR SUCH INSTALLMENTS SHALL BE AS FOLLOWS:

INSTALLMENT	DUE DATE
1ST	APRIL 15
2ND	JUNE 15
3RD	SEPTEMBER 15
4TH	DECEMBER 15

(5) (a) FOR PURPOSES OF THIS SECTION, THE AMOUNT OF THE REQUIRED INSTALLMENTS FOR THE TAX IMPOSED UNDER THIS ARTICLE AND FOR THE TAX IMPOSED UNDER ARTICLE 29 OF THIS TITLE SHALL BE TWENTY-FIVE PERCENT OF THE REQUIRED ANNUAL PAYMENT FOR EACH SUCH TAX.

(b) FOR PURPOSES OF PARAGRAPH (a) OF THIS SUBSECTION (5), "REQUIRED ANNUAL PAYMENT" MEANS THE LESSER OF:

(I) SEVENTY PERCENT OF THE TAXPAYER'S ACTUAL COLORADO TAX LIABILITY SHOWN ON THE RETURN FOR THE TAXABLE YEAR OR, IF NO RETURN IS FILED, SEVENTY PERCENT OF THE TAX FOR SUCH YEAR; OR

(II) (A) ONE HUNDRED PERCENT OF THE TAXPAYER'S ACTUAL COLORADO TAX LIABILITY SHOWN ON THE RETURN OF THE CORPORATION FOR THE PRECEDING TAXABLE YEAR.

(B) SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II) SHALL NOT APPLY IF THE PRECEDING TAXABLE YEAR WAS NOT A TAXABLE YEAR OF TWELVE MONTHS OR IF THE TAXPAYER DID NOT FILE A COLORADO RETURN FOR SUCH PRECEDING TAXABLE YEAR.

(c) (I) IF THE TAXPAYER IS A LARGE CORPORATION AS DEFINED IN SECTION 6655 OF THE INTERNAL REVENUE CODE, SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (5) SHALL NOT APPLY; EXCEPT THAT THE FIRST REQUIRED INSTALLMENT FOR ANY TAXABLE YEAR MAY BE BASED ON TWENTY-FIVE PERCENT OF THE TAXPAYER'S ACTUAL COLORADO TAX LIABILITY SHOWN ON THE RETURN OF THE CORPORATION FOR THE PRECEDING YEAR. ANY REDUCTION IN THE FIRST INSTALLMENT PURSUANT TO THIS SUBPARAGRAPH (I) SHALL BE RECAPTURED BY INCREASING THE AMOUNT OF THE NEXT REQUIRED INSTALLMENT.

(II) FOR PURPOSES OF RETURNS AND ESTIMATED PAYMENTS FOR THE 2001 TAX YEAR, THE LIMITATION ON THE USE OF THE PRECEDING YEAR'S TAX LIABILITY PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) SHALL NOT APPLY.

(d) WHEN THE TAXPAYER HAS ELECTED ANNUALIZED INSTALLMENTS OR ADJUSTED SEASONAL INSTALLMENTS FOR THE PAYMENT OF FEDERAL INCOME TAX, THE AMOUNT OF THE REQUIRED INSTALLMENT PURSUANT TO THIS SECTION AND THE CALCULATION OF ANY ADDITION TO TAX SHALL BE DETERMINED UNDER RULES PROMULGATED BY THE DEPARTMENT OF REVENUE.

(6) (a) (I) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION FOR ANY TAXABLE YEAR IF THE TAX IMPOSED UNDER PART 3 OF THIS ARTICLE SHOWN ON THE RETURN FOR SUCH TAXABLE YEAR OR, IF NO RETURN IS FILED, THE TAX, IS LESS THAN FIVE THOUSAND DOLLARS.

(II) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION FOR ANY TAXABLE YEAR IF THE TAX IMPOSED UNDER ARTICLE 29 OF THIS TITLE SHOWN ON THE RETURN FOR SUCH TAXABLE YEAR, OR IF NO RETURN IS FILED, THE TAX, REDUCED BY THE CREDIT ALLOWABLE UNDER SECTION 39-29-111, IS LESS THAN FIVE THOUSAND DOLLARS.

(b) NO ADDITION TO TAX SHALL BE IMPOSED UNDER SUBSECTION (3) OF THIS SECTION WITH RESPECT TO ANY UNDERPAYMENT TO THE EXTENT THE EXECUTIVE DIRECTOR DETERMINES THAT THE UNDERPAYMENT WAS DUE TO GOOD CAUSE SHOWN BY THE TAXPAYER.

(7) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (7), FOR PURPOSES OF APPLYING THIS SECTION, THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO SECTION 39-29-111 FOR THE TAXABLE YEAR SHALL BE DEEMED A PAYMENT OF ESTIMATED TAX AND AN EQUAL PART OF SUCH AMOUNT SHALL BE DEEMED PAID ON EACH DUE DATE FOR SUCH TAXABLE YEAR.

(b) IF THE TAXPAYER ESTABLISHES THE DATES ON WHICH ALL AMOUNTS WERE ACTUALLY WITHHELD, THE AMOUNTS SO WITHHELD SHALL BE DEEMED PAYMENTS OF ESTIMATED TAX ON THE DATES ON WHICH SUCH AMOUNTS WERE ACTUALLY WITHHELD.

(8) (a) IN APPLYING THIS SECTION TO A TAXABLE YEAR BEGINNING ON ANY DATE OTHER THAN JANUARY 1, THE CORRESPONDING MONTHS SHALL BE SUBSTITUTED FOR THE MONTHS SPECIFIED IN THIS SECTION.

(b) THIS SECTION SHALL BE APPLIED TO TAXABLE YEARS OF LESS THAN TWELVE MONTHS IN ACCORDANCE WITH RULES PRESCRIBED BY THE DEPARTMENT OF REVENUE.

(9) ALL OF THE PROVISIONS OF THIS ARTICLE, ARTICLE 29 OF THIS TITLE, AND ARTICLE 21 OF THIS TITLE RELATING TO THE POWERS OF THE EXECUTIVE DIRECTOR FOR THE ADMINISTRATION, ASSESSMENT, AND ENFORCEMENT OF TAXES REQUIRED TO BE PAID PURSUANT TO SAID ARTICLES SHALL APPLY TO THE PROVISIONS OF THIS SECTION.

(10) THE DEPARTMENT OF REVENUE SHALL PRESCRIBE SUCH RULES AS MAY BE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION. SUCH RULES SHALL BE PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

SECTION 3. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to income tax years commencing on or after the applicable effective date of this act.

Approved: June 1, 2001