

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 10-1060

BY REPRESENTATIVE(S) Kagan, Kerr A., Labuda, Merrifield, Todd,
Vigil, Court, Hullinghorst;
also SENATOR(S) Steadman.

CONCERNING THE CREATION OF A PENALTY FOR THE FAILURE TO COMPLY
WITH SEVERANCE TAX WITHHOLDING REQUIREMENTS.

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

SECTION 1. 39-29-115, Colorado Revised Statutes, is amended
BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to
read:

39-29-115. Penalties and interest. (1.5) ANY PERSON WHO FAILS
TO WITHHOLD INCOME AND MAKE A PAYMENT REQUIRED PURSUANT TO
SECTION 39-29-111 SHALL PAY A PENALTY OF UP TO THIRTY PERCENT OF THE
REQUIRED PAYMENT OR THIRTY DOLLARS, WHICHEVER IS THE GREATER
AMOUNT, AND THE INTEREST DUE UNDER THE PROVISIONS OF SECTION
39-21-110.5. ANY PERSON WHO WITHHOLDS INCOME PURSUANT TO SECTION
39-29-111 AND WHO FAILS TO FILE THE ANNUAL REPORT REQUIRED BY THE
RULES PROMULGATED BY THE DEPARTMENT OF REVENUE RELATED TO SUCH
WITHHOLDING SHALL PAY A PENALTY OF UP TO FIFTEEN PERCENT OF THE
AMOUNT OF WITHHOLDING THAT SHOULD HAVE BEEN REFLECTED IN THE

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

REPORT OR ONE THOUSAND FIVE HUNDRED DOLLARS, WHICHEVER IS THE LESSER AMOUNT. THE PENALTY SET FORTH IN THIS SUBSECTION (1.5) FOR FAILING TO WITHHOLD INCOME AND MAKE A PAYMENT SHALL NOT APPLY IF THE INCOME WAS FROM A WELL THAT QUALIFIED FOR THE EXEMPTION SET FORTH IN SECTION 39-29-105 (1) (b) FOR THE PRIOR TAXABLE YEAR.

(4) THE EXECUTIVE DIRECTOR MAY WAIVE, FOR GOOD CAUSE SHOWN, ANY OF THE PENALTIES AUTHORIZED BY THIS SECTION.

SECTION 2. Act subject to petition - specified effective date - applicability. (1) This act shall take effect September 1, 2010; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part shall not take effect unless approved by the people at the general election to be held in November 2010 and shall take effect on the date of the official declaration of the vote thereon by the governor.

(2) The provisions of this act shall apply to withholding payments, taxes, and reports that are due on or after the applicable effective date of this act.

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO