



HB592

Revise Uniform Penalty & Interest Statutes Section by Section Detail

February 15, 2004



HB592 - Section by Section Detail

- Section 1.** Removes a provision related to federal individual income tax audits received by the department to ensure consistent application of interest
- Section 2.** Main provisions of the bill:
 - Reduces the penalty for non-payment of tax from 1.5% per month (maximum of 18%) to 1.0% per month (maximum of 9%)
 - For certain trust tax payments in excess of \$3,000, reduces the penalty for non-payment of tax from 1.5% per month (maximum of 18%) to 1.5% per month (maximum of 15%)
 - Inserts a general provision regarding purposely and knowingly failing to file a return and increases the penalty from a max of \$200 to a penalty of not less than \$1,000 to not more than \$10,000.
 - Changes the annual interest rate from 12% per annum to an annual adjusted rate equal to the 4th Quarter rate determined by the IRS for underpayment of tax
 - Makes the new interest rate applicable to all outstanding liabilities as of 1-1-2006
 - Provides for a standard grace period of 30 days to pay a tax before P&I will update
- Section 3.** Brings the Rail Car Tax under the uniform P&I provisions
- Section 4.** Removes the 60-day grace period for penalty calculations from Individual Income Tax for department determinations of additional tax due



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- Section 5.** Standardizes penalty provisions for employers paying withholding tax
- Section 6.** Standardizes the interest rate for late payment of estimated tax for Individual Income Tax to the rate specified in 15-1-216
- Section 7.** Removes the purposely and knowingly provision from Individual Income Tax that is included in 15-1-216 under the bill
- Section 8.** Removes the 60-day grace period for penalty accruing for Individual Income Tax and further ties Individual Income Tax to the uniform penalty and interest statute
- Section 9.** Clarifies that underpayment of estimated tax interest is computed based upon the composite tax liability rather than each participant
- Section 10.** Further references to the uniform penalty and interest statute for Corporation License Tax
- Section 11.** Ties penalty and interest associated with consolidated returns to 15-1-216
- Section 12.** Further references in Corporation License Tax to 15-1-216



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- Section 13.** Standardizes the interest rate for late payment of estimated tax for Corporation License Tax to the rate specified in 15-1-216
- Section 14.** Removes the failure to file and filing of a fraudulent return provisions from Corporation License Tax statute as the bill moves these provisions to 15-1-216
- Section 15.** Adds language to the Coal Severance Tax to tie penalties to 15-1-216
- Section 16.** Removes language from Oil & Gas Production Taxes no longer necessary related to local government severance taxes
- Section 17.** Clarifies the due date for Metalliferous Mines Tax to aid in the uniform computation of penalty and interest
- Section 18.** Clarifies the due date for Metalliferous Mines Tax to aid in the uniform computation of penalty and interest
- Section 19.** Adds a reference for Metalliferous Mines Tax to 15-1-216
- Section 20.** Additional clarification regarding the due date of Metalliferous Mines Tax to aid in the uniform computation of penalty and interest



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- Section 21.** Adds a reference for Metalliferous Mines Tax to 15-1-216
- Section 22.** Adds a reference for the Micaceous Mineral Mines tax to 15-1-216
- Section 23.** Clarifies due date for Resource Indemnity Trust tax to aid in the uniform computation of penalty and interest
- Section 24.** Adds a reference for Resource Indemnity Trust tax to 15-1-216
- Section 25.** Adds a reference for Resource Indemnity Trust tax to 15-1-216
- Section 26.** Adds a reference for Public Contractor's Fees and Tax to 15-1-216
- Section 27.** Adds a reference for the Electrical Energy Producer's Tax to 15-1-216
- Section 28.** Adds a reference for the Retail Telecommunications Excise Tax to 15-1-216



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- Section 29.** Adds a reference for Retail Communications Excise Tax to 15-1-216
- Section 30.** Adds a reference for Cement Taxes to 15-1-216
- Section 31.** Adds a reference for Nursing Facility Utilization Fees to 15-1-216
- Section 32.** Removes the 30-day grace period for penalty accruing for Lodging Facility Use Tax for consistent application for all tax types
- Section 33.** Adds a reference for Hospital Facility Utilization Fees to 15-1-216
- Section 34.** Adds a reference for Intermediate Care Facility for the Developmentally Disabled – Utilization Fees to 15-1-216
- Section 35.** Removes the 30-day grace period that is now in 15-1-216 from the Sales Tax part of the Lodging Facility Use Tax
- Section 36.** Adds a reference for Electrical Generation Tax to 15-1-216



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- Section 37.** Repeals 15-31-545 which is no longer necessary given the other changes in the bill
- Section 38.** Coordination section with HB158 covering changes in 15-30-209
- Section 39.** Provides for an applicability date for the changes in penalty and interest rates.