

House Bill 19

Examples of Penalties and Interest - Current Law and as Amended by HB19

*In all of the examples the taxpayer owes \$1,000 and is 6 1/2 months late in filing and/or paying taxes owed.***Purposely or Knowingly Fails to File a Return**

15-1-206 (4) - This penalty is in addition to other penalties and interest.

Taxpayer is an individual income taxpayer that knows they must file but purposely does not.

| | Tax Due | Late File Penalty 15-1-206 (1)(a) | Late Pay Penalty 15-1-206 (2)(a)(i) | Interest 15-1-206 (7)(a)(i) | Purposely or Knowingly Fails to File Penalty 15-1-206 (4) | Total |
|-------------|----------|--------------------------------------|--|--------------------------------|--|----------|
| Current Law | \$ 1,000 | \$ 50 | \$ 84 | \$ 43 | \$ 1,000 | \$ 2,177 |
| HB19 | \$ 1,000 | \$ 218 | \$ 32 | \$ 16 | \$ 750 | \$ 2,016 |

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| <i>Difference between Current Law and HB19</i> | \$ (161) |
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Fraudulent Return is Filed

15-1-206 (5) - This penalty is in addition to other penalties and interest.

Taxpayer is an individual income taxpayer that files a fraudulent return claiming that they only owe \$1,000 when in fact they owe \$2,000. This action is an intentional act not a simple misstatement of income earned.

| | Tax Due | Late File Penalty 15-1-206 (1)(a) | Late Pay Penalty 15-1-206 (2)(a)(i) | Interest 15-1-206 (7)(a)(i) | Fraudulently Filed Return Penalty 15-1-206 (5) | Total |
|-------------|----------|--------------------------------------|--|--------------------------------|---|----------|
| Current Law | \$ 1,000 | NA | \$ 84 | \$ 43 | \$ - | \$ 1,127 |
| HB19 | \$ 1,000 | NA | \$ 32 | \$ 16 | \$ 750 | \$ 1,798 |

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| <i>Difference between Current Law and HB19</i> | \$ 671 |
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Frivolous Return is Filed

15-1-206 (6) - This penalty is in addition to other penalties and interest.

Taxpayer is an individual income taxpayer that files a tax return in which the information on the return has been determined by the IRS or courts to be frivolous. One example of a frivolous position is that wages, tips or other compensation for the performance of personal services are not taxable.

| | Tax Due | Late File Penalty 15-1-206 (1)(a) | Late Pay Penalty 15-1-206 (2)(a)(i) | Interest 15-1-206 (7)(a)(i) | Frivolous Filed Return Penalty 15-1-206 (6) | Total |
|-------------|----------|--------------------------------------|--|--------------------------------|--|----------|
| Current Law | \$ 1,000 | NA | \$ 84 | \$ 43 | \$ - | \$ 1,127 |
| HB19 | \$ 1,000 | NA | \$ 32 | \$ 16 | \$ 2,500 | \$ 3,548 |

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| <i>Difference between Current Law and HB19</i> | \$ 2,421 |
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HB 19
 3-21-13

House Bill 19

Examples of Penalties and Interest - Current Law and as Amended by HB19

In all of the examples the taxpayer owes \$1,000 and is 6 1/2 months late in filing and/or paying taxes owed.

Late Payment Penalty - Interest

15-1-216 (2)(a)(i) and (7)(a)(i)

Taxpayer is an individual income taxpayer that has not paid taxes due.

| | Tax Due | Late File Penalty 15-1-206 (1)(a) | Late Pay Penalty 15-1-206 (2)(a)(i) | Interest 15-1-206 (7)(a)(i) | | Total |
|-------------|----------|--------------------------------------|--|--------------------------------|--|----------|
| Current Law | \$ 1,000 | NA | \$ 84 | \$ 43 | | \$ 1,127 |
| HB19 | \$ 1,000 | NA | \$ 32 | \$ 16 | | \$ 1,048 |

Difference between Current Law and HB19 \$ (79)

Late File Penalty - Late Payment Penalty - Interest

15-1-216 (1)(a), (2)(a)(i), and (7)(a)(i)

Taxpayer is an individual income taxpayer that has not filed a return or paid taxes due.

| | Tax Due | Late File Penalty 15-1-206 (1)(a) | Late Pay Penalty 15-1-206 (2)(a)(i) | Interest 15-1-206 (7)(a)(i) | | Total |
|-------------|----------|--------------------------------------|--|--------------------------------|--|----------|
| Current Law | \$ 1,000 | \$ 50 | \$ 84 | \$ 43 | | \$ 1,177 |
| HB19 | \$ 1,000 | \$ 218 | \$ 32 | \$ 16 | | \$ 1,266 |

Difference between Current Law and HB19 \$ 89