



Tax and Licensing
15151 E. Alameda Parkway, Ste. 5700
Aurora, Colorado 80012
303.739.7800

Guide to City of Aurora's Voluntary Disclosure Program

In order to enter into a voluntary disclosure agreement, the City of Aurora (City) requires that a Company provide certain information, representations, and warranties as explained below. These are set forth in an offer by the Company called the "Statement of Representations and Inducement" (Exhibit A), and are more fully explained in the guide by that name. Briefly they are:

1. A description of the taxpayer's activities and the date the activities began;
2. An estimate of City tax liability for previous tax periods;
3. A disclosure with respect to whether the Company has or has not collected the relevant taxes;
4. A representation that the Company has not been previously been contacted by the City;
5. A representation that the failure to file is not the result of fraud or gross negligence on the part of the Company (in the case of fraud or gross negligence the City is still willing to negotiate a settlement, but on more rigorous terms).

A voluntary disclosure agreement request can be completed by performing the following steps.

Step 1 Read the entire packet. A lot of the questions you may have will be answered in the packet.

Step 2 The "Agreement for Registration and Payment of City of Aurora Taxes" will normally be filled out by the City after review of the Company's Exhibit A. The copy is provided on our website so you can review the standard agreement. The voluntary disclosure request may be submitted anonymously.

Terms Paragraphs 3 & 4 - The City will normally require a look-back period, whereby the Company will pay taxes covering a certain number of years past. The length of the look-back period or the City's requirement of one will depend on the nature of the Company's activities and the size of past years' potential tax liabilities as submitted in Exhibit A.

The City expects that a normal voluntary disclosure agreement will contain a provision for a look-back period of a minimum of three years for sales/use tax and occupational privilege tax. If the tax nexus is so thin that the taxpayer believes prospective filing is justified, the City would prefer that the Company simply register and go forward from that point. The City will almost never be willing to waive any past liability as part of a prospective filing.

Paragraph 7 - Whether penalties for taxes due for the period of non-filing are waived, and the extent of the waiver, will depend on the same issues that determine if the City will insist on a look-back period (i.e., the certainty of the nexus and the size of the liability), as well as the explanation for the failure to file as stated in Exhibit A. Penalty will normally be assessed, sometimes at a lower rate, if tax was collected, but not remitted.

Interest on monies due for taxes for the look-back period will not be waived.

Step 3 Complete an Exhibit A for the Company. Be sure to answer all questions and submit all facts as requested in the "Guide to Statement of Representations and Inducement" (Exhibit A). Please be specific. Vagueness or ambiguity will only hinder the City's attempt to determine the Company's liability and reach an agreement.

Step 4 Complete an Exhibit B. Check the tax liabilities which the Company wishes to settle.

We hope these guidelines answer most of your questions about the City's policy with respect to voluntary disclosure agreements and hope that the Company will see fit to proceed with the agreement.

If you wish to enter into a voluntary disclosure agreement, please submit an Exhibit A and Exhibit B and send them to the address at the bottom of this page.

After the City reviews the offer, if everything is satisfactory, we will complete an Agreement for Registration and Payment of City of Aurora Taxes, sign the agreement and mail it to you.

At that point the Company should sign the original agreement, include the Company name, fill out any registration forms, keep a copy, and return the originals to the City. You would then begin to comply with the terms of the agreement. Once the identity of the Company is known to us, if contact regarding the agreement should be made through a representative (CPA, lawyer, etc.), please provide a Power of Attorney.

When submitting documents for the voluntary disclosure program please use the address below. If you have any other questions or concerns, please feel free to contact Benjamin Jeffcoat at 303-326-8811 or bjeffcoa@auroragov.org.

City of Aurora
Attn: Benjamin Jeffcoat
1515 E Alameda Pkwy, Ste 5700
Aurora, CO 80012

Please note that this packet does not constitute an offer.