

Sales Tax - Protest of Assessments

What is the 30-Day Rule?

Taxpayers who owe Colorado state income tax or sales and use tax need to be aware of the Department of Revenue's 30-Day Rule.

The 30-Day Rule applies to taxpayers who have failed to file and pay tax owed and have received a notice of deficiency for failure to pay the tax. Once a notice of deficiency has been mailed, the taxpayer has 30 days from the date of the actual notice (not date of receipt) to either pay the tax, including applicable penalty and/or interest, or protest the notice of deficiency.

If a taxpayer fails to respond within the prescribed timeline, the 30-day protest period is no longer applicable, the taxpayer's appeal rights are gone, and the tax must be paid.

Taxpayers are strongly encouraged to always remit their tax to the Department of Revenue timely to avoid notices as well as to respond to a notice immediately after receipt.