



Statement of Philosophy

Colorado Department of Revenue
Office of the Executive Director

The Colorado Department of Revenue (the "Department") is responsible for the collection, administration and enforcement of state taxes in accordance with the United States and Colorado Constitutions and the laws passed by the Colorado General Assembly.

The function of the Department is to encourage voluntary compliance with the tax laws in a manner which inspires the highest degree of public confidence in its integrity, fairness and efficiency. Penalties will be applied as a tool to promote voluntary compliance and not as a revenue source. The Department will vigorously pursue the collection of all taxes due the state, but will not use tax collection volume to evaluate any departmental employee or to impose or suggest production quotas or goals.

The commitment of the Department is to:

- Ensure that all taxpayers pay their fair share of lawful taxes in a timely manner.
- Determine the extent of compliance and direct the energy and resources of the Department to rectifying noncompliance.
- Perform audits and make adjustments in a prompt and fair manner, with no favoritism or discrimination among taxpayers.
- Educate the public on important tax provisions without regard to whether any particular provision is one which raises or reduces revenue for the state.
- Ensure that overpayments and refunds are made promptly and with the same emphasis as collections and assessments.
- Seek only that information from taxpayers and others necessary for fair administration and enforcement, and maintain strict confidentiality of all information as required by statute.
- Prepare regulations promptly in a simple, straightforward manner that is consistent with the intent of the law and is an enhancement to voluntary compliance.

The Department also has the responsibility to apply and administer the law in a reasonable, practical manner. Issues should be raised by examining officers only when they have merit, never arbitrarily or for negotiating purposes. At the same time, the examining officer should never hesitate to raise a meritorious issue.

Administration should be both reasonable and vigorous. It should be conducted with as little delay as possible and with great courtesy and consideration. It should never try to overreach, and should be within the bounds of law and sound administration. It should, however, be vigorous in requiring compliance with law and relentless in its attack on unlawful tax devices and fraud.

Every employee of the Department plays a crucial role in creating a positive public attitude toward the Department. Employees should understand the importance of conducting themselves in a fair and courteous manner that will aid in the attainment of this philosophy.