



State of Utah

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December 1, 2020

Tax Commission Sending Corrected Billing Notice

The Utah State Tax Commission has found a number of erroneous penalty and interest assessments sent for the 2019 tax year. There were some system limitations that arose causing an estimated 13,000 out of 1.5 million tax returns to receive an inaccurate billing statement. These include returns filed and taxes paid after April 15 but before July 15 of this year.

The decision to change the due date for 2019 tax returns was made after the Tax Commission had already received returns for the 2019 period. This limited the options available to the Tax Commission to address the change in due date. To accommodate the change, our system was programmed to write off penalties and interest on timely-filed returns and payments. Late payments will still accrue interest until paid in full.

While we tested these changes extensively there were some complications. Returns were posted to the Tax Commission system on the same day billing notices were scheduled to be sent. In this situation, because of the timing when billing notices went out, they assessed penalty and interest incorrectly. The Tax Commission's system however, reflected the correct amount due, with no penalty and interest. Any overpayment by the taxpayer due to the incorrect notice is promptly being refunded.

The Tax Commission is sending a notice to tax preparers and CPAs of how to check on the notices, they believe, may be in error. We will follow that up with a general notice to the public who have received these erroneous notices of how to check on their status.

To be clear, the Commission will waive failure to file penalties, failure to pay penalties and interest for returns filed and tax payments made on or before July 15, 2020.

The situation above which generated incorrect billing notices is rare, and only impacted Individual Income tax and Corporate tax accounts. Anyone impacted by this situation will receive a corrected billing statement from the Tax Commission by December 15th. Current billing notices that have been sent since November 13th, have not contained this error. Anyone who thinks they may fall into this situation and have an incorrect billing notice should call 801-297-7703.

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