Severance Tax - Oil & Gas Withholding and Estimated Payments

What are the filing requirements for oil and gas and estimated severance tax payments?

Oil and gas withholding and estimated severance tax payments are due monthly, and payments **must** be submitted via Electronic Funds Transfer (EFT). The process is easy, secure and fast. A paper voucher is not required for these tax payments; the EFT transaction is the filing.

Becoming Authorized to Submit EFT Payments

If you are not currently set up to send EFT payments, you may with (DR 5782) and an application (DR 5785).

Oil and Gas Withholding

The aggregate amount withheld each month must be paid by the first day of the third month following the month the tax is withheld. For example, the April withholding will be due on or before July 1. The May withholding will be due on or before August 1. When submitting the EFT payment, use the last day of the month as the EFT "Filing Period" in year, month, date format (e.g. 080430 for April 2008). The "Tax Type" code will be 01180.

Corporation Estimated Severance Tax Payments

The estimated tax payment for each month must be paid by the 15th day of that month. For example, the July payment will be due July 15. When submitting the EFT payment, use the last day of the **tax year** as the EFT "Filing Period" in year, month, date format (e.g. 081231 for all monthly payments for 2008). The "Tax Type" code will be 08402.

Delays in EFT Authorization

If you experience a delay in receiving your authorization to submit EFT payments, you may file on paper (DR0461 available online at www.taxcolorado.com) until such authorization is received. Paper returns must still be filed on a monthly basis. Continuing to file paper returns after EFT authorization is received, or not applying for EFT authorization, may result in penalty and/or interest charges on your payments.