



FYI General 22 Tax Account Maintenance

File returns, make payments and manage tax accounts online. Sign up for account access through Revenue Online, www.Colorado.gov/RevenueOnline

SALES TAX

A sales tax account is established by applying online at www.Colorado.gov/cbe or on paper with a Sales Tax/Withholding Account Application (CR 0100). The fee for a two-year license is \$16, plus a one-time-only \$50 deposit. The deposit is automatically refunded to the business after \$50 in state sales tax has been remitted to the department. For more information, please see FYI Sales 9, Sales Tax Licenses.

A sales tax return (DR 0100) must be filed for each location. File through Revenue Online, www.Colorado.gov/RevenueOnline or with the DR 0100 paper return. The return must be filed for each period that the account or location is open and active even if there is no tax to report. Sales tax returns must be filed on the monthly or quarterly due date to avoid interest and penalty. If there are no taxable sales during a filing period, a zero return should be filed. Failure to file a required return will result in a reminder to file that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

Notify the department of a closure through Revenue Online (www.Colorado.gov/RevenueOnline) or with the Change or Closure Form (DR 1102). Any returns that are due for prior periods must be filed prior to closing the account. The closure date should be the last day of the filing period. Once notified online or by paper, the department will close that location account and returns will no longer be required for the closed location. **NOTE:** The paper DR 1102 takes longer to process. Revenue Online closures are effective the next business day.

The DR 1102 can also be used to notify the department of incorrect information on a sales tax license or account. However, if there is a change in ownership or in the type of ownership, such as sole proprietorship to Limited Liability Company or partnership to corporation, the existing account should be closed and a new account opened by applying for a new license using the CR 0100 submitting any applicable license fees.

For more information on sales tax licenses, filing frequencies, tax rates, and other sales tax requirements, please view our sales tax FYI publications. FYIs are available on many sales tax topics.

WAGE WITHHOLDING

No deposit or license fee is required for withholding. A withholding return (DR 1094) must be filed for each tax period during which the wage withholding tax account is open.

If there is no withholding during a filing period, a zero return should be filed. The zero return can be filed by Electronic Funds Transfer (EFT) or through our Revenue Online. Information on EFT and Revenue Online is available at www.TaxColorado.com. Failure to file a required return will result in a nonfiler notice that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

Notify the department of a closure through Revenue Online (www.Colorado.gov/RevenueOnline) or with the Change or Closure Form (DR 1102). Any returns that are due for prior periods must be filed prior to closing the account. **NOTE:** The paper DR 1102 takes longer to process. Revenue Online closures are effective the next business day.

Changes or corrections to a wage withholding account can be made by submitting the DR 1102. If there is a change in ownership or in the Federal Employer Identification Number (FEIN) these changes must be made by completing a Sales Tax/Withholding Account Application (CR 0100) and submitting it with any fees associated with the change. Please see Publication FYI Withholding 5, Withholding Tax Requirements for more information on detailed filing requirements.

An annual reconciliation must be filed by February 28 following the close of the calendar year or within 30 days of closing a withholding account. The annual reconciliation shows payments of tax withheld from individual employees and tax payments submitted to the department. Businesses do not need to file an annual reconciliation by paper if wage statements are filed electronically. More information on annual reconciliation can be found in Publication FYI Withholding 6, Methods of Filing Colorado Annual W-2 Tax Data.

CONSUMER USE TAX

Consumer use tax must be paid by Colorado residents and businesses on purchases that did not include Colorado sales tax, such as those made over the Internet, by mail order, or by telephone. If there were no purchases during the year that are subject to consumer use tax, there is no requirement to file a return or notify the department. For more information on consumer use tax filing options, please see publication FYI General 10, Consumer Use Tax.

RETAILER'S USE TAX

A return must be filed for any tax period during which the retailer's use tax account is open. If there are no taxable sales during a filing period, a zero return must be filed. Failure to file a required return will result in a nonfiler notice that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

Notify the department of a closure through Revenue Online (www.Colorado.gov/RevenueOnline) or with the Change or Closure Form (DR 1102). Any returns that are due for prior periods must be filed prior to closing the account. The closure request should be submitted no later than 30 days after close of business. **NOTE:** The paper DR 1102 takes longer to process. Revenue Online closures are effective the next business day.

For information on retailer's use tax please see publication FYI Sales 5, Sales Tax Information for Out-of-State Businesses.

AVIATION SALES TAX

For information on filing requirements for sales of aviation jet fuel please see publication FYI Sales 57, Sales and Use Tax Applicable to Gasoline and Special Fuels.

SEVERANCE TAX

A producer or owner of a working interest, a royalty interest or any other interest from any oil and gas produced in Colorado, must pay severance tax to Colorado. Severance tax might be due even though a net profit is not realized on an investment. Severance tax is also due on other mineral extractions in Colorado.

A severance tax return must be filed for any tax period during which the severance tax account is open. If there is no taxable income during a filing period, a zero return must be filed. Failure to file a required return will result in a nonfiler notice that is mailed approximately two months after the extended due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

To close a severance tax account that no longer has income from the production of oil and gas or other minerals, submit the Change or Closure Form (DR 1102). The DR 1102 should be submitted along with any returns that are due for prior periods.

SEVERANCE TAX WITHHOLDING

Operators and first purchasers who disburse income from oil and gas production in Colorado to any interest owner must:

1. Open and maintain a Colorado oil and gas severance withholding tax account with the Department of Revenue.
2. Withhold 1% from the gross income disbursed and electronically remit withholding to the department monthly.
3. File with the department an annual reconciliation of withholding.
4. Notify each interest owner annually of the amount of severance tax withheld from interest payments.

For more information, please see Publication FYI Withholding 4, Colorado Oil and Gas Severance Withholding Requirements.

To open a severance withholding tax account complete a Sales Tax/Withholding Account Application (CR 0100). Be sure to indicate on the CR 0100 that the application is for an oil and gas withholding tax account and include any existing Department of Revenue account number.

Oil and gas withholding payments are due monthly and payments must be submitted by Electronic Funds Transfer (EFT). An EFT account can be set up by submitting the Authorization for Electronic Funds Transfer (EFT) for Tax Payments (DR 5785).

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.

An oil and gas withholding tax payment must be filed for any month during which the withholding tax account is open. If there is no taxable production during a filing period, a zero return must be filed. Failure to file a required return will result in a nonfiler notice that is mailed approximately one month after the extended due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

The annual reconciliation of the oil and gas withholding (DR 0456) and copies of the DR 21W statements are due annually no later than April 15. If the severance tax withholding account is open for any part of the calendar year, the reconciliation form must be submitted. Failure to timely file this form will result in a nonfiler letter being sent, followed by a penalty assessment being issued.

To close a severance tax withholding account that no longer produces oil and gas, submit the Change or Closure Form (DR 1102). The DR 1102 should be submitted along with any returns that are due for prior periods.

CIGARETTE TAX

Distributors must file a Cigarette Tax Return (DR 0221) monthly. The Department of Revenue will mail pre-printed returns each month. This return and the payment of tax must be filed on or before the 10th day of the month following the reporting month. Distributors must file a return even if no tax is due for the month. Failure to receive the tax return does not relieve distributors from their legal responsibility to file by the due date. Failure to file a required return will result in a \$100 statutory penalty as well as a reminder to file that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

To notify the department of a closure, the Change or Closure Form (DR 1102) should be submitted along with any returns that are due for prior periods. Once notified, the department will close that location account and returns will no longer be required for the closed location.

The Department of Revenue must be notified of any change in location or change in the name of a business with no change in ownership. After the distributor has sent written notification, a new license will be issued without charge upon request. However, if there is a change in ownership or in the type of ownership, such as sole proprietorship to Limited Liability Company or partnership to corporation, the distributor must close the existing account and open a new account by applying for a new license using the CR 0100 and submitting appropriate documentation and payment of applicable license fees.

TOBACCO TAX

Distributors must file a Tobacco Products Tax Return (DR 0229) each quarter. The department will mail pre-printed returns each quarter. The return and payment of tax must be filed by the 20th day of the month following the reporting quarter. Distributors must file a return even if no tax is due for the quarter. Failure to receive a tax return does not relieve distributors of their legal responsibility to file by the due date. Failure to file a required return will result in a \$25 statutory penalty as well as a reminder to file that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

To notify the department of a closure, the Change or Closure Form (DR 1102) should be submitted along with any returns that are due for prior periods. Once notified, the department will close that location account and returns will no longer be required for the closed location.

The Department of Revenue must be notified of any change in location or change in the name of a business with no change in ownership. After the distributor has sent written notification, a new license will be issued without charge upon request. However, if there is a change in ownership or in the type of ownership, such as sole proprietorship to Limited Liability Company or partnership to corporation, the distributor must close the existing account and open a new account by applying for a new license using the CR 0100 and submitting appropriate documentation and payment of applicable license fees.

INTERNATIONAL FUEL TAX AGREEMENT (IFTA)/FUEL

IFTA quarterly returns are due at the end of the month following the end of the quarter. For example: A January through March return is due April 30. A tax return is required even if a truck is not operated during a quarter. Penalty and interest will be due if the tax return or payment is not postmarked by the due date. Failure to file a required return will result in a reminder to file that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed.

To notify the department of a closure, the Change or Closure Form (DR 1102) should be submitted along with any returns that are due for prior periods as well as the taxpayer's IFTA license and decals. If the taxpayer does not return their license and decals, returns are due until the IFTA license expires at the end of the year. Once notified, the department will close that location account and returns will no longer be required for the closed location.

For more information on IFTA please see publication FYI Excise 8, International Fuel Tax Agreement (IFTA).

LIQUOR EXCISE TAX

Liquor excise tax returns are due on or before the 20th of each month. Distributors must file a return even if no tax is due for the month. Failure to receive the tax return does not relieve distributors from their legal responsibility to file by the due date. Failure to file a required return will result in a reminder to file that is mailed approximately one month after the due date of the return, which is followed a month later by an estimated bill. The collection process will continue on this bill until the return is filed or the account is closed. Returns must be filed for any period prior to the date the account is closed. Failure to receive a form does not relieve you of your legal responsibility to file the return by the due date.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.