



FYI Sales 87

Sales Tax Payments by Electronic Funds Transfer

GENERAL INFORMATION

Any Colorado retailer whose state sales tax collections exceed \$75,000 for the year is required to remit its state and applicable local sales tax by Electronic Funds Transfer (EFT). This is required under §39-26-105.5, C.R.S.

ESTABLISHING AN EFT ACCOUNT

You can sign up for EFT through your Revenue Online account or by submitting the Authorization for Electronic Funds Transfer (EFT) for Tax Payments (DR 5785). Visit www.Colorado.gov/Revenue/eft for detailed steps on how to register electronically.

If registering by paper, the tax type to enter is Sales and the tax type code is 042. If the business already has an EFT account for paying other types of taxes, the checkboxes for Modify Account and Add Taxes should be marked. The applicant must complete Section 1 and/or Section 2 of the DR 5785 to indicate whether payments will be made by ACH debit or ACH credit.

Applicants should also review the publication Electronic Funds Transfer (EFT) Program for Tax Payments (DR 5782).

Visit www.Colorado.gov/Revenue/eft for additional information on EFT registration and payment.

MAKING A PAYMENT

Businesses that have established an account for EFT can pay online or by telephone. You should have your payment amount, EFT account number, tax type code, and PIN/password information ready before starting your payment.

- **To pay by secure Internet connection**, visit www.Colorado.gov/Revenue/eft and follow the links to "Make a Payment/Manage Account." In order for your payment to be considered on time, be sure to submit your tax payment before 4 p.m. Mountain Time by the due date.
- **To make a payment by phone**, call 877-265-6338 (877-COLOEFT).

REQUIREMENT TO SUBMIT THE SALES TAX RETURN ON A TIMELY BASIS

Businesses that pay sales tax by EFT must submit their paper return by the filing period due date. This means that in order to be considered timely, the sales tax return must be postmarked by the due date of the return. Failure to submit the paper return on a timely basis can result in a late filing penalty of 10 to 18 percent. If the EFT payment was also submitted after the due date, there would be an additional late payment penalty of 10 percent.

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.