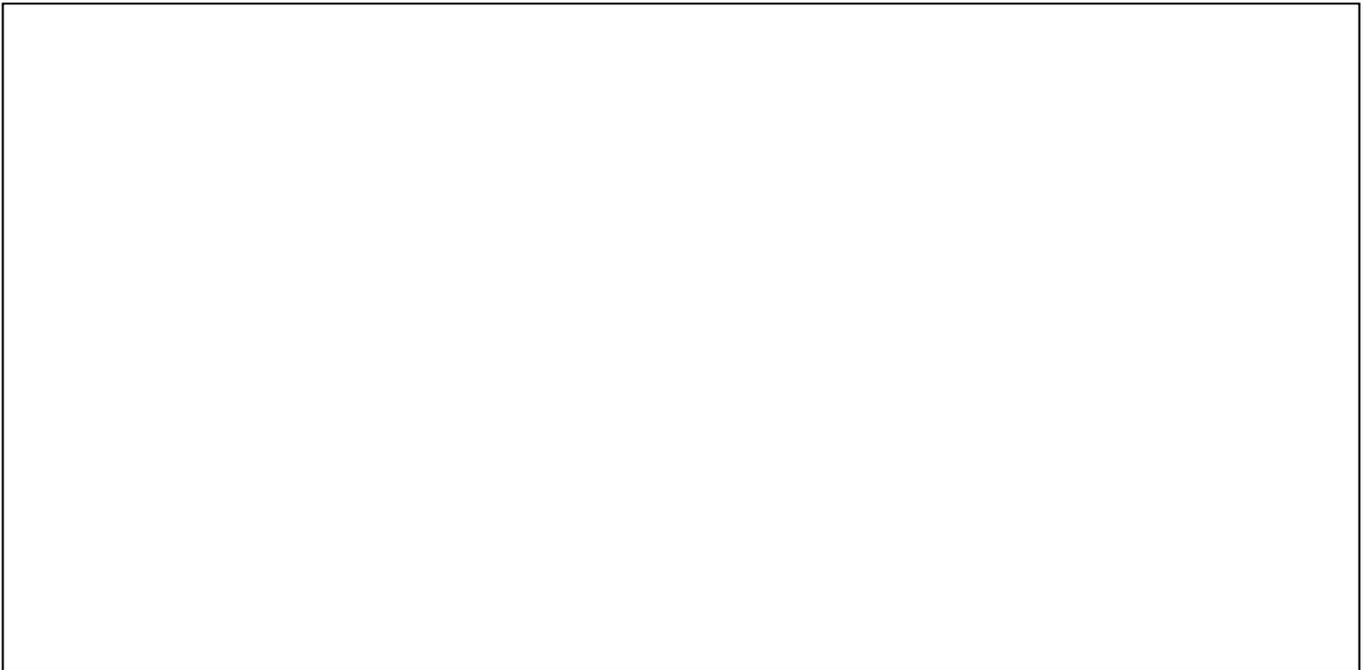


**Taxpayer Service Division
Colorado Department of Revenue**

September 25, 2014 (Draft)

**Software Developers Handbook
Fiduciary Income Tax**

(Calendar Year 2015)



CLICK. ZIP. FAST ROUND TRIP.

**COLORADO DEPARTMENT OF REVENUE
ELECTRONIC FILING
SOFTWARE DEVELOPER'S HANDBOOK FOR CALENDAR YEAR 2015**

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OTHER SOURCES:

Latest revisions of the Software Developers Handbook, draft and final forms, record layouts, schemas, and business rules will be at the following web address:
<https://www.colorado.gov/pacific/tax/software-developers-income-tax>

SECTION 1: GENERAL INFORMATION

PURPOSE

This publication provides software developers with the technical information and/or references necessary for creating and formatting Colorado state electronic fiduciary income tax returns. Updates to this document will be posted to our website at the address listed on the previous page. Tax year 2014 draft forms and schemas will be also be posted on the internet at that web address.

MODERN EFILE

Colorado will accept tax year 2014 fiduciary income tax returns through the IRS Modern eFile program. The start date for such filings is January 6, 2015. Colorado follows the TIGERS and IRS guidelines for Modern eFile returns.

TYPES OF RETURNS/FORMS

Colorado will accept refund, balance due or zero balance returns for tax year 2014. Form 105 and Schedules A-G, DR 0617, DR 1305, DR 1316, and DR 1366 can be transmitted electronically to Colorado.

DIRECT DEBIT DATE

If direct debit is used as a payment method, the direct debit requested payment date is the date of withdrawal from the taxpayer's bank account. The debit date for returns filed by the due date cannot go past the due date. The debit date for returns filed after the due date should be two business days after the filing date. The following elements must be included: checking or savings, routing number, bank account number, account holder type (business or individual), and requested payment date. Paper return filers will not have direct debit. Please alert clients with a balance due that if they do not submit direct debit information with their return, they can go to our website for the online e-pay application to pay by echeck or credit card. If the taxpayer does not use direct debit or online payment, they must send any Colorado balance due payment by check along with Form DR 0900-F.

SECTION 2: CONTACT INFORMATION

COLORADO DEPARTMENT OF REVENUE INTERNET SITE

The Colorado Department of Revenue offers a variety of information and forms at our website on the Internet, including Revenue Online, the Handbook for Software Developers, and the Handbook for Electronic Filers. All income tax forms at the website are in PDF format, which can be viewed/printed with the ADOBE ACROBAT READER. The ADOBE ACROBAT READER is free and can also be downloaded from the Internet. The Colorado Department of Revenue Internet taxation web site address is www.taxcolorado.com.

Information for software developers can be found on this web page by choosing Tax Professionals, then selecting Software Developers on the sidebar of the Tax Professionals page.

CONTACT PERSONNEL

The contact information below is for technical information or to inquire when a submitted return has not been acknowledged by the Colorado Department of Revenue. Refund inquiries or questions regarding accepted returns should be directed to 303-238-7378. Taxpayers can also obtain the status of their accepted return by establishing a login and accessing our Revenue Online system at taxcolorado.com.

Electronic Filing
State Coordinator
Steve Asbell
Taxpayer Service Division
Stephen.Asbell@state.co.us
Phone: (303) 866-3889
FAX: (303) 866-3211

Electronic Filing
Help Desk
Steve Asbell
Taxpayer Service Division
Stephen.Asbell@state.co.us
Phone: (303) 866-3889
FAX: (303) 866-3211

State Acceptance
Testing Coordinator
Steve Asbell
Taxpayer Service Division
Phone: (303) 866-3889
FAX: (303) 866-3211

Mailing Address for
Federal/State Electronic
Filing Program:
Colorado Department of Revenue
Room 206
1375 Sherman St.
Denver Colorado 80261

State Acceptance
Testing Associate
Kurt Bloomer
Taxpayer Service Division
Email: Kurt.Bloomer@state.co.us
Phone: 303-205-8211 x6871

SECTION 3: SPECIAL INSTRUCTIONS

RETURN DATA REQUIREMENTS

Many of the data elements are dependent on other fields in order for the return to properly balance. For example, the DR 1366 Enterprise Zone contribution credit calls for the cash and/or in-kind contribution amounts to be populated if the contribution credit claimed for the current year is greater than zero. Failure to follow these rules will result in disallowance of the credit(s) and cause delays and/or correspondence for the taxpayer.

Other subtractions are sometimes claimed in error on Form 104. For example, some part-year and non-resident taxpayers enter out of state income as a subtraction rather than completing Form 104PN. A listing of allowable subtractions can be found in the Dept of Revenue tax information index under "Subtractions" at the following web page:

<http://www.colorado.gov/cs/Satellite/Revenue/REVM/1251648262925>

ACKNOWLEDGEMENTS/ERROR CODES

For tax year 2014 Colorado will be using the Internal Revenue Service for acknowledgement service. A document with error codes and alerts is available on our web page.

E-FILE PROBLEMS DURING TAX SEASON

Errors or processing problems discovered after testing (during the production income tax season) must be resolved immediately after their discovery and disclosure. To help Colorado maintain the integrity and reputation of the Fed/State e-file program, a short questionnaire for all software developers is provided in the appendix of this document to facilitate the cooperative resolution of problems.

COLORADO TAX CALCULATION

Multiply Colorado taxable income by 4.63 percent and round the product to the nearest dollar amount.

DIRECT DEBIT DATE

If direct debit is used as a payment method, the direct debit date is the date of withdrawal from the taxpayer's bank account. The debit date for returns filed by the due date cannot go past the due date. The debit date for returns filed after the due date should be two business days after the filing date. The account holder type, business or individual, is required.

MODERN EFILE FORMATTING

1. All dollar amounts are in whole dollars.
2. Percentage fields are expressed as percentages using LargeRatioType and must be limited to four places of precision past the decimal point. Example: 12.34557% is expressed as 12.3456. Negative percentages are not allowed.
3. To claim credit for tax paid to another state, only one Schedule G is needed if the taxpayer entity claims credit for tax paid to another state and has no income or losses in any additional state(s) outside Colorado. A taxpayer claiming credit for tax paid to another state who has income or loss in two or more states outside Colorado must complete a summary using parent element TaxPaidOtherStates with state name "CO" and up to forty-four iterations of parent element TaxPaidOtherStates to claim credit for tax paid to other states.
4. Taxpayer names should not exceed sixty(60) characters in length.

SOFTWARE DEVELOPER ID

The element SoftwareId should not be a numeric value. Use the software name to fit in the ten character text field allowed. Colorado may suggest an ID.

STATE SUBMISSION MANIFEST

The state submission manifest should have the following

Taxpayer Type	StateSubmissionType	SubmissionCategory
Fiduciary	1041	ESTRST

Do not include the Colorado schema version in the state submission manifest.

SUBMITTING ATTACHMENTS

Software that supports credits needing supporting documents must support pdf attachments. Colorado will not reject returns that are missing supporting document attachments, but processing of the return will be delayed. The ability to support pdf attachments will be part of the testing process. Software that does not support credits or adjustments needing documentation will not be required to submit pdf attachments as part of their acceptance testing. The element SupportingDocMethod is part of the Form 105 schema to indicate how attachments will be submitted.

Documentation per the form instructions to support subtractions or credit claims should be sent as a pdf attachment with the electronic return. This is the most reliable way to submit documents and associate them with the current year tax return.

If the supporting documents are not attached in pdf format, they can be uploaded to the taxpayer's account in Revenue Online. If neither the efile attachment nor Revenue Online upload methods are used, the documents should be sent by mail using form DR 1778 as a cover sheet for the necessary attachments. Submission of supporting documents by mail will typically add 4-6 weeks to processing time.

To emphasize again, returns that claim certain subtractions or credits subject to review may experience processing delays if the attachments are submitted separately from the electronic return. We suggest that your software should display a diagnostic box advising that supporting documentation is required and that pdf attachment with the return is the most efficient means of submission.

SIGNATURE ALTERNATIVES

For the Colorado DR 8453F, Colorado will accept electronic signature methods that are accepted by the Internal Revenue Service.

FRAUD PREVENTION

Software developers should conform to the IRS standards for fraud detection and prevention as stipulated in IRS Publication 1345. Information on suspected fraud should be sent to:

Jennifer Tate	Jennifer.Tate@state.co.us
Cathy Gallen	Cathy.Gallen@state.co.us
Shirley Stevens	Shirley.Steven@state.co.us

SECTION 4: TESTING

COLORADO SOFTWARE DEVELOPER TEST PACKAGE

The Colorado Fiduciary Income Test Package contains a series of 4 tests with scenarios for Form 105 and Schedules A-G. The Colorado test package will be available to Software Developers by October 24, 2014. Testing is scheduled to begin Nov. 12, 2014, unless the Internal Revenue Service is experiencing delays and has not yet begun ATS testing.

ELECTRONIC DATA TESTING

When ready to test, please send notification by email and include the submission IDs of the tests.

SECTION 5: WHAT'S NEW FOR CALENDAR YEAR 2015

FORM/SCHEMA CHANGES

Form 105 has a new line for the marijuana business deduction. A copy of a pro forma 1041 should be included to show the business deductions not allowed at the federal level.

Form DR 1305 for the gross conservation easement credit has updates due to law changes that take effect. Taxpayers who are just using credits they purchased as transferees only need to complete part G, aka Form DR 1305G. Forms DR 1303 and DR 1304 are no longer required due to the law changes.

Form DR 0617 for innovative motor vehicle credit has updates due to changes in the law that went into effect for 2014. The current 2014 paper version of the form does not include a line for the actual credit being claimed such as was on line 35 of the 2013 version, but there is an element in the schema for that value. There is an error on the line 22 instruction. It should say to multiply the amount on line 20 by line 21. The line 12 credit percentage for CNG or LPG vehicles < or = 26,000 pounds is 12.25%, not 13%. At the time this is being written it is expected the form will be updated to correct these items.

Form DR 1366 for enterprise zone credit has been updated to add lines due to changes in the law for the enterprise zone new employee credit. Note that the paper version of this form has incorrect line instructions on lines 28 and 29. Line 28 should instruct to calculate the increase in employees as line 26 minus line 27. Line 29 should instruct to multiply line 28 by \$1,100. Claiming enterprise credits requires efile of the DR 1366. At the time this is being written it is expected the form will be updated to correct these items.

APPENDIX

Error codes

Form DR 8453F

Form DR 0900F

Form DR 1778

Software Developer Questionnaire

Error Codes

Colorado error codes for rejects and alerts will be published on the software developer page by October 1, 2014.

Many of the error codes are Alerts rather than reject codes. For example, when a return claims an innovative motor vehicle credit, a supporting copy of the dealer invoice must be submitted. If Colorado does not see a pdf attachment with the name ALTFUELINV.pdf, we will accept the return but add an alert message to the acknowledgment regarding the need to submit that document.

Alert messages should be passed along in full by the transmitter to the preparer or taxpayer. Those messages are for the benefit of the preparer/taxpayer so that the return information requirements are fully communicated.



State of Colorado Fiduciary Income Tax Declaration for Electronic Filing

When feasible attach in PDF format to your e-filed return
Do not mail this form to the IRS or the Colorado Department of Revenue
Retain with your records

		Tax Year Beginning (MM/DD/YY)	Tax Year End (MM/DDYY)
Name of Estate or Trust	Fiduciary Name	Colorado Account Number	
Address		FEIN	
City	State	Zip	Phone Number ()

Part I—Tax Return Information

1. Total Income, from federal Form 1041	1	\$
2. Federal Taxable Income from federal Form 1041	2	\$
3. Colorado Tax, line 9 on Colorado Form 105	3	\$
4. Colorado Payments, line 17 on Colorado Form 105	4	\$
5. Amount You Owe, line 25 on Colorado Form 105	5	\$
6. Refund, line 28 Colorado Form 105	6	\$

Part II — Declaration of Tax Payer

Under penalties of perjury, I declare that I am the fiduciary or an officer of the fiduciary listed above and the information provided for electronic filing and the amounts shown in Part I above agree with the amounts shown on the company's 2014 Federal/Colorado income tax returns, and that said tax returns, statements, schedules and attachments are true, correct, and complete to the best of my knowledge and belief. I understand that I (or my Electronic Return Originator (ERO) if applicable) may be required to provide paper copies of this declaration, my returns, withholding statements, schedules and attachments upon request by the Colorado Department of Revenue at any time during the period covered by the Colorado statute of limitations.

Signature	Date (MM/DD/YY)	Title
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Part III —Declaration of ERO/Preparer/Transmitter

If the transmitter did not prepare the tax return, check here

If I am not the preparer, I declare only that the amounts shown in Part I above agree with the amounts shown on the taxpayer's 2014 Federal/Colorado income tax returns. If I am the preparer, under penalties of perjury I declare that I have reviewed the above taxpayer's 2014 Federal/Colorado income tax returns and that the information provided to me by the taxpayer and the amounts shown in Part I above agree with the amounts shown on said tax returns, and that said tax returns, statements, schedules, and attachments are true, correct, and complete to the best of my knowledge and belief. As preparer, I further declare that I have obtained the taxpayer's signature on this form at the time of filing and have provided the taxpayer with copies of all forms and information filed. I also agree to maintain this signed Form (DR 8453F) for the period covered by the Colorado statute of limitations, and to provide paper copies of this declaration, said returns, withholding statements, schedules, and attachments upon request by the Colorado Department of Revenue at any time during this period.

ERO's Signature	Date (MM/DD/YY)	Preparer Identification Number or Your SSN
Check if also Preparer <input type="checkbox"/>		



Instructions

Line Instructions

Tax Year

Enter the beginning and ending dates of the tax year filed.

Name, Address and **Colorado Account Number and Federal Employer Identification Number**

Print or type this information in the space provided exactly as it appears from Colorado Form 105.

Part I—Tax Return Information

Line 1—Report the total income from Federal Form 1041.

Line 2—Report the amount of taxable income reported on Federal Form 1041.

Line 3—Report the amount of tax reported on Colorado Form 105, line 9.

Line 4—Report the amount indicated as Colorado payments from Colorado Form 105 line 17.

Line 5—Report the amount reported as the amount you owe from Colorado Form 105 line 25.

Line 6—Report the amount reported as a refund on Colorado Form 105 line 28.

Part II— Declaration of Taxpayer (Taxpayer using ERO or Taxpayer who is a PC filer)

All Taxpayers

All Taxpayers are required to sign and date the DR 8453F at the time of filing. An electronically transmitted income tax return will not be considered complete and/or filed until the DR 8453F has been signed/dated by all appropriate taxpayers. Retain a copy of this form in your records for four years. When feasible, attach this form in PDF format to the e-filed return.

Taxpayers Using an ERO or Preparer

Taxpayers who use an ERO or tax preparer should maintain copies of all information given to them by the ERO or tax preparer for the period covered by the statute of limitations, but are **not required to mail anything to the Colorado Department of Revenue at the time of filing.**

Part III—Declaration of Electronic Return Originator (ERO), Preparer or Transmitter

The ERO or the preparer of the return is required to sign and date the DR 8453F at the time of filing. If the ERO is also the preparer, the check box labeled "Check if also preparer" must be checked. The ERO or preparer is also required to report their Social Security Number or preparer identification number (PTIN) in the space provided. If the taxpayer is the preparer, PART III does not need to be signed/dated.

Other Information

Colorado Statute of Limitations

The general rule for the Colorado statute of limitations is the federal statute of limitations plus one year, or four years from the federal due date of April 15.

DR 8453F on Demand by Colorado DOR

The paid preparer is also responsible for establishing and maintaining a system that allows retrieval of any particular DR 8453F and attachments by taxpayer social security number on demand by the Colorado Department Of Revenue.

For help, call the Department of Revenue's Federal/State Electronic Filing Help Desk: 303-866-3889 or visit our e-Filing Options page at: www.coloradoefile.state.co.us

2014 Fiduciary Income Tax Payment Voucher

Caution!

This form **must** accompany your payment if you filed electronically and wish to pay by check.

The Department strongly recommends that you file using Revenue Online (www.Colorado.gov/RevenueOnline) or another electronic method and remit your payment electronically or by EFT. Information on EFT can be found at www.Colorado.gov/revenue/eft

If you cannot file and pay online, you may pay by mail. Make check or money order payable to the Colorado Department of Revenue. Be sure to round your payment to the nearest dollar. Clearly write your Colorado Account Number and "2014 Form 105" on the check memo line.

Complete the form below. The amount on the check and the amount entered on the payment voucher must be the same. This will help maintain accuracy in your tax account. Be sure to keep a copy of the money order or note the check number with your tax records.

Do not submit a paper return if you have already filed electronically.

Manage your account. File and pay online. Get started with Revenue Online today!
www.Colorado.gov/RevenueOnline

DETACH FORM ON THIS LINE



Use the coupon below only if you are unable to pay online or by EFT. Cut here and send only the coupon below. Help us save time and your tax dollars.

(0031) DR 0900F (07/03/14)
 COLORADO DEPARTMENT OF REVENUE
 DENVER CO 80261-0008
 www.TaxColorado.com

2014 Fiduciary Income Tax Payment Voucher

For the calendar year 2014 or the fiscal year		Beginning (MM/DD/2014)		Ending (MM/DD/YYYY)	
Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your Colorado Account Number or Federal Employer Identification Number and "2014 FORM 105" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.					
Name of Estate or Trust			Colorado Account Number		
Name of Fiduciary			FEIN		
Address			City	State	Zip
<p>If No Payment Is Due, Do Not File This Form. The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.</p> <p align="center"><i>(Do not write in space below)</i></p>					Amount of Payment \$ _____ .00





DR 1778 (08/04/14)
COLORADO DEPARTMENT OF REVENUE
 1375 Sherman Street
 Denver, CO 80261-0006
www.TaxColorado.com

e-filer ATTACHMENT FORM

For Tax Year (YYYY)	or Fiscal year Beginning (MM/YY)	Ending (MM/YY)
Tax Type: <input type="checkbox"/> Individual Income <input type="checkbox"/> C-Corp Income <input type="checkbox"/> Partnership Income <input type="checkbox"/> S-Corp Income <input type="checkbox"/> LLC Income <input type="checkbox"/> LP Income <input type="checkbox"/> LLP Income <input type="checkbox"/> LLLP Income <input type="checkbox"/> Association Income <input type="checkbox"/> Non-Profit Income		
Please Print or Type		
Taxpayer Name		Taxpayer SSN
Spouse Name (if applicable)		Spouse SSN (if applicable)
Taxpayer Address		Federal Employer ID Number
City	State	ZIP Code

Check Documents Submitted For further information visit the Department of Revenue website TaxColorado.com

- Other state(s) income tax return(s)
- Enterprise Zone Credit: DR 0074, DR 0075, DR 0076 or DR 0077 certificates
- Gross Conservation Easement: DR 1303, DR 1304 and/or DR 1305 and supplemental documentation
- Aircraft Manufacturer New Employee Credit: DR 0085 and/or DR 0086
- Alternative Fuel Credit: Vehicle purchase invoice
- Child Care Contribution Credit: DR 1317
- Claim for refund on behalf of deceased taxpayer: DR 0102, death certificate
- Colorado Source Capital Gain Subtraction: DR 1316
- Job Growth Incentive Tax Credit: Certification letter from the Colorado Development Commission
- Low-Income Housing Credit: CHFA certification letter
- Non-resident Partner, Shareholder or Members Agreement: DR 0107
- Plastic Recycling Credit: Required documentation to substantiate credit (receipts, bills, etc.)
- School-to-Career Investment Credit: Certification letter
- Other Documentation for credits/subtractions claimed (check the box below and enter details)
- Other (explain) _____

Signature of Taxpayer or Preparer	Date (MMDD/YY)
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Instructions For Form DR 1778

This form is to be used by electronic filers for submitting documents that would have otherwise been attached to a paper return. Some tax preparation software packages allow the document(s) to be added to the e-filed return as a PDF attachment, which will speed processing of the return. If the tax software does not include the option of attaching PDF documents, mail (do not email) the DR 1778 to:

Colorado Department of Revenue
1375 Sherman Street
Denver, CO 80261-0006

Questions? Go to www.TaxColorado.com or call the Department at (303) 238-7378

SOFTWARE DEVELOPER'S HANDBOOK FOR CALENDAR YEAR 2015

Software Developer Letter of Intent

Software Company Name: - _____

Tax Type - Individual ___ CCorp ___ SCorp___ Partner ___ Estate/Trust ___

Primary Contact: - _____

Primary Contact Phone #: _____

Primary Contact E-mail address: _____

Secondary Contact: - _____

Secondary Contact Phone #: _____

Secondary Contact E-mail address: _____

Business Mailing Address: _____

Software Product Name (dba): _____

Type of product: Professional ___ Home/Online ___

Federal Limitations.

State Limitations.

State Forms Supported.

Describe briefly how your software facilitates the submission of PDF attachments.

Affirm that you will notify the Department of Revenue when you detect fraud schemes. Yes ___

Signed _____ Date _____