

# 2019 Income Tax Best Practices Guide



A guide for preparing 2019  
Colorado Income Tax Returns





## Best Practices: A guide for CPAs

The Colorado Department of Revenue is dedicated to providing quality service in fulfillment of our fiduciary and statutory responsibilities, while instilling public confidence through professional employees. Our efforts focus on being proactive and responsive to taxpayers and tax professionals by providing outstanding customer service, education and information. The information in this guide is for use in preparing 2019 Colorado income tax returns, with the tips organized in the general order of the filing process.

All forms, guidance publications and webpages can be found at [Colorado.gov/Tax](http://Colorado.gov/Tax), the official Taxation Division website.

Always Help

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### GET IN TOUCH

Customer Service Representatives are available 8 a.m. to 4:30 p.m., Monday through Friday at 303-238-SERV (7378).

#### OTHER CONTACT PHONE NUMBERS

- EFT/Electronic Payment Help: 303-205-8333
  - Collections: 303-205-8291
  - Discovery: 303-205-8292
  - Field Audit: 303-355-0400
  - Report Tax Evasion, Fraud or Scams: 303-205-8262
  - Hearing or Speech Impaired: Relay Colorado
- To use this service, dial the appropriate number above. Give the agent the number that you would like to call. The agent will stay on the line to relay the information/conversation to you.
- TTY Telephone Users: 1-800-659-2656  
Voice Telephone Users: 1-800-659-3656

### TAXATION

### LEADERSHIP

- Brendon Reese,  
Senior Director, Taxation
- Matthew Samuelson  
Deputy Director, Taxation
- Eric Myers,  
Director, Taxpayer Services  
Division
- Christopher Muntean  
Director, Tax Auditing &  
Compliance
- Josh Pens  
Director, Tax Policy Analysis
- Debbie Van Wyke  
Director, Tax Conferee





## MOST FREQUENT FILING ERRORS AND TIPS TO AVOID THEM

### BUSINESS PERSONAL PROPERTY CREDIT FOR INDIVIDUAL BUSINESS OWNERS

This credit is only available if business personal property tax was paid to a Colorado county in 2019 and the business had business personal property valued at \$18,000 or less. Submit a copy of the assessor's statement with your return. See the Business personal property credit calculation worksheet in the DR 0104 booklet.

### REACQUISITION OF COLORADO RESIDENCY DURING ACTIVE DUTY MILITARY SERVICE SUBTRACTION

This subtraction is only allowed to active duty military service members. In order to qualify for the subtraction the service member must meet all of the following criteria:

- Have Colorado as his or her home of record
- After enlisting in the military, have acquired legal residency in a state other than Colorado
- On or after Jan. 1, 2016, have reacquired Colorado residency

A military service member who meets these requirements can claim a subtraction for any compensation included in his or her federal taxable income that he or she received for active duty service after reacquiring Colorado residency.

In order to have acquired residency in another state, you must have:

- Been physically present in that state
- Intended to make that state your permanent home
- Intended to abandon your previous state of legal residence



In order to reacquire residency in Colorado, you need not be physically present in Colorado, but you must intend to both make Colorado your permanent home and to abandon your previous state of legal residence.

In order to claim this subtraction, a service member must include with his or her return:

- A completed DR 0104AD
- A military form showing Colorado as his or her home of record
- Evidence of acquiring residency in another state
- Evidence of reacquiring residency in Colorado during the tax year

Evidence of acquiring residency in another state and reacquiring residency in Colorado must come in one of the following forms:

1. Voter registration
2. Records reflecting the purchase of residential property or an unimproved residential lot
3. Motor vehicle titling and registration
4. Notification to your prior state of legal residence of your

5. Preparation of a new last will and testament reflecting your state of legal residence

If you qualify for this subtraction, enter the amount of compensation received for active duty military service on line 16 and submit all required evidence of residency with your return.

### OTHER SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

Don't include amounts earned outside Colorado, net operating losses, K-1 adjustments, military income, wage adjustments or donations made to the Military Family Relief Fund on this line. Include a clear explanation of the subtraction being claimed on your return. For information, see [Colorado.gov/Tax/Income-Tax-Subtractions](https://Colorado.gov/Tax/Income-Tax-Subtractions).

### VOLUNTARY CONTRIBUTIONS

Be sure to include a Voluntary Contributions Schedule, DR 0104CH with your return. The voluntary contributions cannot be amended.

### SPECIAL INSTRUCTIONS FOR BANKRUPTCY ESTATES

For bankruptcy estates with a Colorado filing requirement, complete the DR 0105 and provide supporting documentation for the estate only. DO NOT complete, submit, or attach the Colorado form DR 0104 for individuals as part of the Colorado filing for a bankruptcy estate. For Colorado returns, the DR 0105 is NOT used as a transmittal for the debtor's form DR 0104. The filing of the bankruptcy estate's tax return does not relieve debtors from the requirement to file individual income tax return for Colorado income on the form DR 0104.

## CLARIFYING & MODIFYING CREDITS

### MODIFIED OR CLARIFIED CREDITS

The Health Care Preceptors credit was modified with the following changes:

- Clarifies the definition of “preceptorship” to specify that the period of time for which the period of personalized instruction, training, and supervision must be provided to be eligible to claim the tax credit is not less than 4 working weeks or 20 business days per calendar year
- Extends the existing sunset date under which the tax credit would expire to tax years commencing prior to January 1, 2023

The credit for Retrofitting a Home (HB19-1135) clarifies that the income tax credit for retrofitting a residence is available for changes made to a residence that benefit a qualified individual or the qualified individual’s dependent. The credit is available for tax years 2019 through 2023 and the amount is equal to the cost of the retrofit or \$5,000, whichever is less. The Division of Housing in the Department of Local Affairs is responsible for certifying that the taxpayer meets the requirements for the income tax credit.

The Conservation Easement Tax Credit also was extended until July 1, 2026 with the following modifications:

- Eliminates a requirement that the board of real estate appraisers establish education and experience requirements for conservation easement appraisers
- Relocates and modifies certain provisions governing the creation and valuation of conservation easements
- Allows the division of conservation to use an alternative method to value a conservation easement
- Modifies provisions governing a conservation easement working group convened to address specified issues relating to claiming a state income tax credit for the donation of a conservation easement

- Requires the owner of property who is granting a conservation easement to execute a disclosure form
- Modifies provisions governing when a conservation easement may be extinguished
- Prohibits a conservation easement for which a state income tax credit has been allowed from being released, terminated, extinguished, or abandoned by merger, which occurs when the same entity holds both the easement and the land subject to the easement
- Increases the total amount that may be claimed as an income tax credit for an individual donation of a conservation easement, but limits the amount that may be claimed per year
- Makes a \$250,000 appropriation to the Colorado ownership, management, and protection (COMaP) service which maintains a database and corresponding map of conservation easements and other protected lands in Colorado.

## NEW LEGISLATION

Here is a list of the bills that passed during the 2019 legislative session. Visit [Leg.Colorado.gov/Bills](http://Leg.Colorado.gov/Bills) to learn more.

### INCOME TAX

- [HB19-1013](#): Child Care Expenses Tax Credit Low-Income Families
- [HB19-1088](#): Modify Income Tax Credit Health Care Preceptors
- [HB19-1135](#): Clarify Income Tax Credit for Retrofitting a Home
- [HB19-1228](#): Increase Tax Credit Modifications
- [HB19-1264](#): Conservation Easement Tax Credit Modifications
- [SB19-029](#): Income Tax Residency Presumption for Military



## CONSUMER USE TAX 2019 UPDATES

### WHO MUST PAY CONSUMER USE TAX?

Taxpayers owe use tax when they store, use or consume a taxable item in Colorado for which they did not pay sales tax. This most commonly occurs when a purchase is made from an out-of-state seller either over the internet, through catalog sales, or by a Colorado resident traveling in another state.

If the taxable property is stored, used or consumed by someone other than the buyer, the individual or business that stores, uses or consumes the taxable item will owe the tax.

### HOW TO CALCULATE CONSUMER USE TAX

Colorado use tax is calculated at 2.9%. Some cities, counties and special districts in Colorado also impose a use tax. The Department collects use tax for certain special districts, but does not collect use tax for any city or county. Please contact them directly concerning their tax rates, exemptions, fees and procedures.



## HOW TO REPORT AND PAY CONSUMER USE TAX FOR INDIVIDUALS

Consumer use tax for individuals is due by the April income tax return deadline. Individuals can report and pay consumer use tax in one of two ways, either of which can be filed electronically at [Colorado.gov/RevenueOnline](https://Colorado.gov/RevenueOnline):

- With the Consumer Use Tax Reporting Schedule (DR 0104US) as an attachment to their Colorado individual income tax return (DR 0104), or
- With the Consumer Use Tax Return (DR 0252)

The schedule or return must include tax for any tangible property the individual stored, used or consumed during the income tax year and for which sales or use tax was not previously paid.

If an individual files his or her income tax return under extension, penalty and interest will be due for any consumer use tax not paid prior to the April income tax deadline.

Taxpayers may use the Department's **free e-file service, Revenue Online**, to file and pay their consumer use tax. They do not need to log in to file a return. Choose "File a Return" under Quick Links. Then click

"Consumer Use Tax" under Select a Return Type to File. When filing in Revenue Online, the system will calculate the state use tax due. In some cases, the system may be able to calculate Department-collected city and county rates. Taxpayers can double check the applicable rates in the DR 1002 publication.

## SALES & USE TAX CHANGES

June 1, 2019, [HB19-1240](#) went into effect and the collection of sales and use tax was significantly altered in the state of Colorado. Out-of-state retailers that sell more than \$100,000 worth of taxable goods or services into the state of Colorado are now required to collect and remit sales tax to the state of Colorado.

This means use tax will be less common and will usually only apply when dealing with small businesses that fall under the \$100,000 threshold. Furthermore, effective October 1, 2019 Marketplace Facilitators are required to collect and remit sales tax for all the sellers who utilize their platforms. Further reducing the likelihood of needing to pay consumer use tax for the individual filer. For more information, visit [Colorado.gov/tax/marketplaces](https://Colorado.gov/tax/marketplaces).



## 7 Things About Revenue Online

1. You will need to set up an account in Revenue Online, even if you have already filed a return in the past.
2. When making a payment, you need to choose the filing period end date for the payment, not the date you are making the payment. The filing period date is the last day of the filing period, such as 12/31/2019 for a 2019 tax return.
3. You must put in the correct tax type for the payment you are making. If you do not, it will show the Department you are making a payment for another tax type.
4. To protect taxpayer security, sessions are timed out due to inactivity. Taxpayers should have all necessary documents for filing their return prepared prior to filing in Revenue Online.
5. New Colorado Residents who have not filed an individual tax return with the Department of Revenue will not be eligible to use Revenue Online for individual income services.
6. Many of our online services exist at the account-level. If you click on the hyperlink for one of your accounts in Revenue Online, you will be brought to a similar screen with details on that account and a broader list of services available.
7. Changes are coming. We have heard your suggestions and we are making improvements in 2020.

## REVENUE ONLINE

### SERVICES YOU CAN COMPLETE WITHOUT LOGGING INTO YOUR CLIENT'S ACCOUNT

- File an Individual Income Tax Return (2009 to present)
- File a Consumer Use Tax Return
- File Special Event Sales Tax Returns
- File a Property Tax Rent/Heat Rebate (PTC) application
  - Check refund or Property Tax/Rent/Heat (PTC) Rebate Status
  - Make a payment for 21 tax types immediately (by credit card or e-check) for Cigarette, Consumer Use, Corporate Income Tax, County Lodging, Fiduciary Income Tax, IFTA, Individual Income Tax, Liquor Excise, Local Marketing, Partnership Income Tax, Prepaid Wireless, PTC, Public Utilities Commission, Retail Marijuana Excise and Sales, Retailer's Use, Sales, Special Event (Sales Tax), Special Event (License), Tobacco Products, Winery Shipper Excise
    - Respond to an inquiry letter
    - Provide a validation key
    - File a protest
    - Request a letter ID
    - Submit an e-filer attachment (DR 1778)
      - Submit Wage Withholding Annual Reconciliation
        - Submit a power of attorney (POA) (DR 0145)
          - View local Sales Tax rates (View sales tax rates by specific city or county.)
          - View business location rates [View sales tax rates applicable to your specific business location(s).]
          - View Sales Tax rate charts (View amount of tax calculated by purchase amounts from \$.01 through \$100.)
          - Find Local Taxes by address (Search local sales tax rates by a specific address.)
          - Verify if a sales tax license or exempt certificate is valid



### THIRD-PARTY ACCESS

You may access your client's tax information on Revenue Online by utilizing the "Grant Third Party Access" feature. For security reasons, individuals are limited to one Revenue Online account, because of this, tax professionals should **not** create an account for themselves under a client's Social Security number (SSN) or Colorado Account Number (CAN). Doing this prevents the taxpayer from being able to create his/her own Revenue Online account in the future. It also creates extra work for the tax professional because you would have to create a separate Revenue Online account for all of your clients. If your clients grant you third party access, you will be able to access their accounts from your own,

*In order to get third party access from your client, you and your client must have a Revenue Online account. Your client will need to know your Revenue Online Login ID.*

single account.

The Department encourages e-filed returns because the Third Party Access designation is included in the electronic return and Department staff can see the name and phone number of the Third Party Designee on the e-filed returns.

On paper returns, staff do not data enter any of the Third Party Designee information as they do the return lines. Designee information from a paper return is not available to see until the paper return is imaged and attached to the taxpayer account, which could take a minimum of two weeks, depending on the time of the year. During that time, it is possible the taxpayer may receive correspondence from the Department. If the Third Party Designee contacts the Department about the letter, Department staff may not yet have access to the paper return image. In the case of a paper return, customer service representatives may ask for a fax copy of the return with the designee information before providing information to the tax professional.



## 3rd PARTY ACCESS

Instructions for clients to grant third party access of their Revenue Online account to their tax professional:

1. Log in to your account at [Colorado.gov/RevenueOnline](https://Colorado.gov/RevenueOnline) and click on “View My Profile” in upper right corner of the screen. Click on “Grant Third Party Access” in the “I Want To” section.
2. Click on “Next” on the bottom right of your screen.
3. Complete Step 1 and click the “Submit” button.
4. Verify third party access was granted:
  - a) **Account Owner/Taxpayer:** The third party account will populate on the “Additional Logons” page, which you can see by clicking on “View My Profile” on the Home page. Then click on “Manage additional logons.”
  - b) **Third Party/Tax Professional:** All the accounts are listed on the homepage of your account. The owner’s account will populate in this account list.

## ACCEPTED TAX SOFTWARE

The Department maintains a list of Accepted Software for individual income tax. The list shows supported tax credits and limitations by software name. As software is approved, through the third week of January, the list will be updated. See the Income Tax, Individual File webpage.

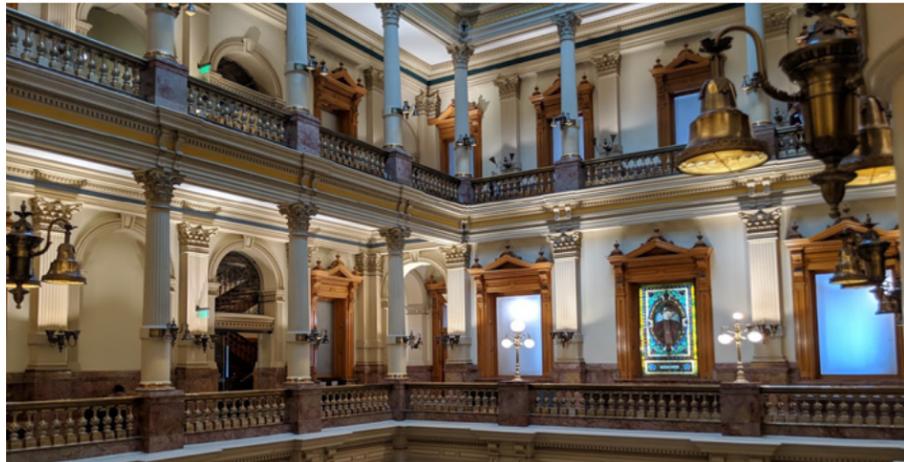
Taxpayers and tax practitioners are strongly encouraged to file all tax returns either through your tax software or Revenue Online, [Colorado.gov/RevenueOnline](https://Colorado.gov/RevenueOnline). If you need to file a paper return, you must list the name and the Social Security number (SSN) of the primary taxpayer on the top of every page of the return where indicated. Some software products allow the submission of Colorado individual estimated payments using form DR 0104EP and extension payments using form DR 0158-I. For estimated payments, up to four payments can be scheduled at once, but the last payment must be scheduled by the January estimated payment due date. Your software provider can tell you if they support estimated payments and extension payments for Colorado.

## TABOR YEAR

The FY 2018-2019 TABOR refund will be distributed in two parts. The first part of the refund will go toward reimbursing local governments for their senior and disabled veteran property tax exemptions. For more information on the local property tax exemptions for seniors and disabled veterans visit the Colorado General Assembly website, [Leg. Colorado.gov](http://Leg.Colorado.gov).

The second part is a temporary income tax rate reduction of 0.13% for the 2019 tax year. The temporary income tax rate reduction will lower the state income tax rate from 4.63% to 4.50%. There are no special steps required to get this income tax rate reduction. Taxpayers will automatically receive this reduction when they file their 2019 income tax returns. For more information got to [colorado.gov/tax/TABOR](http://colorado.gov/tax/TABOR).

The 2019 TABOR refund will be different from 2015, when there was a sales tax refund. This year, the TABOR income tax rate reduction will result in either a larger refund, if the taxpayer over withheld in 2019, or a smaller bill, if the taxpayer did not withhold enough/ make enough estimated tax payments. The refund amount will be different for each taxpayer, based on their unique income tax situation.



## MAILING INSTRUCTIONS

Please note all income tax forms and supporting schedules for each client must be submitted and mailed together. Failure to return all applicable schedules and supporting documentation results in processing delays or denied credits and refunds.

### IF YOU ARE SUBMITTING THE FORM WITH PAYMENT:

Colorado Department of Revenue  
Denver, CO 80261-0006



### IF YOU ARE SUBMITTING THE FORM WITHOUT PAYMENT:

Colorado Department of Revenue  
Denver, CO 80261-0005





## AFTER YOU FILE

### AMENDED RETURNS

Amended returns replace the original tax return. Send all supporting documents with the amended return and ALL the schedules, even if it has already been sent.

The DR 0104X and schedules must be completed and submitted together, whether this is done in Revenue Online or on paper. If a paper DR 0104X is filed, do not re-submit the original Colorado Form 104. This will only complicate and delay return

**NEW:** Amended individual income tax returns (DR 0104X) for tax years 2018 and forward may be filed using MeF through any software providers who begin supporting it. The Department recommends filing returns electronically in order to reduce the likelihood of errors or processing delays.

processing.

Make sure you use the appropriate DR 0104X version for the year you are amending because the DR 0104X is year

specific (for example, use a 2014 form DR 0104X for an amended 2014 return).

Individual income tax returns from 2009 and forward may be amended electronically through Revenue Online. You may amend online even if the original return was filed on paper. Revenue Online has all the information from the original return; there is no need to re-enter everything. If you do not have access to the internet and cannot amend online, you may file a

paper form DR 0104X.

When changing the Colorado return because the IRS made changes to the federal return, you must file form DR 0104X within 30 days of being notified by the IRS. When the IRS makes changes to federal taxable income, the Colorado return MUST be amended, even if there is no net change to the Colorado tax liability.

### WHAT TO EXPECT BASED ON WHEN A RETURN IS FILED

Filing state tax returns electronically or earlier in the year may result in receiving refunds faster as long as the return is correct and complete. “Correct and complete” means the return does not have any missing information or documentation, and it does not fall into the risk profile for a fraudulent filing. If the return falls into that profile, it may take up to two months to review and verify information and then communicate and exchange information with taxpayers who are expecting a refund.

How soon can taxpayers receive their refund depends on how and when they file their return. Electronic filers whose returns are “correct and complete” can expect their refunds in about seven to fourteen

business days because the data is transmitted directly into the Department’s tax accounting system, which makes processing go much faster than with paper returns. Paper filers have a longer wait depending on when they file.

### REFUND STATUS

You or your client can view their status of a refund by using Revenue Online. The information in Revenue Online is the same information that is available to our Call Center Representatives.

- Visit [Colorado.gov/RevenueOnline](https://colorado.gov/revenueonline) and choose the option “Where is my Refund/Rebate” under Quick Links.
- Enter the Social Security number (SSN) and the refund amount claimed on the income tax return. If you do not know the refund amount claimed, you may use either a Letter ID number from a recent income tax correspondence from the Department or you may request a Letter ID to be sent to the mailing address on file.

After a taxpayer’s return is processed, the Department will provide them with an updated status as their refund moves through our system. It may take a few days for an updated status to appear. Please check

back often to verify where your client’s return/refund may be in our process.

The Department routinely takes precautionary measures to ensure taxpayer refunds are not diverted to identity thieves. As tax refund fraud persists as a national issue, the Department will continue to look at tax returns for signs of refund fraud.

The Department conducts reviews of income tax refunds because it is operating in the public trust with revenue dollars collected and refunded. Our objective is to protect taxpayer information, as well as state revenue, and ensure taxpayers receive the Colorado state income tax refund to which they are entitled.

This review may result in correspondence from the Department, a refund requested as direct deposit being converted to a paper check, or other actions. The Department’s goal is to issue refunds as quickly and efficiently as possible; however, there is the possibility that delays will occur.

The Department continues to ask for your patience and understanding as it takes steps to safeguard taxpayers’ refunds and the integrity of Colorado’s finances. For more information, visit [Colorado.gov/tax/tax-fraud-prevention](https://colorado.gov/tax/tax-fraud-prevention).



## Donate to a Colorado Nonprofit

Find the ID for the nonprofit you wish to donate to on your Colorado income tax return.

Search by Name or Registration ID [What is the Registration ID?](#)

Tax Year

2020 ▼

## Voluntary Contributions

You can donate to a qualified organization with your Colorado income tax return by entering their ID on the Voluntary Contributions Schedule ([DR 0104CH](#)) of your Colorado Individual Income Tax Return. There are two ways to look up the information you will need to enter on your DR 0104CH form: the [Charity Lookup Tool](#) and the [List of Qualified Non-Profits/Charities](#).

### HOW TO USE THE TOOL

1. Go to [Colorado.gov/Tax/CO-Non-Profit-Number](https://Colorado.gov/Tax/CO-Non-Profit-Number)
2. Enter the full or part of the charity's name in the Search Box. It is not case-sensitive.
3. Enter the Tax Year you are filing for.

4. If you cannot find the charity you are looking for, the Advanced Search may help. Click Advanced Search under the "Search" button. Enter specified information to narrow down the search results.
5. Once you find the charity you wish to donate to, enter their 11-digit Registration Number on the DR 0104CH. If using a printed form, enter the 11-digit Registration Number and the charity's name as it appears in the Charity Lookup Tool in the boxes under line 19.

### TIPS FOR SEARCHING

- Do not leave a space at

the beginning of any entry in the fields. Your search may not produce any results.

- Search results are listed up to 10 registration IDs for on each page.
- Using the page numbers at the bottom of the page, navigate to a different page.
- Download Records button located at the top of the screen on the right side is able to export your search criteria results.
- In Advanced Search, Name, Activity, City, County, State and Zip code can be searched alone or together in any combination



## STOPPING FRAUD

Thousands of taxpayers have lost personal information and millions of dollars to tax scams. Criminals use the regular mail, telephone or email to set up individuals, businesses, payroll and tax professionals. The Colorado Department of Revenue shares the following messages on behalf of the IRS. The Colorado Department of Revenue partners with the IRS, other state revenue departments and tax professionals to combat refund fraud.

### TARGETING TAX PROS

The IRS and Security Summit partners warn tax practitioners to beware of phishing emails posing as state accounting and professional associations that are trying to trick them into disclosing their email usernames and passwords.

Only a few days into last year's filing season, the IRS has identified a new scam that began with cybercriminals stealing data from several tax practitioners' computers and filing fraudulent tax returns.



- the software automatically.
- Use the security options that come with your tax preparation software.
- Send suspicious tax-related phishing emails to [phishing@irs.gov](mailto:phishing@irs.gov).

**WHAT IS SPEAR PHISHING?**

Spear Phishing is a common email scam. Criminals, posing as a trusted source, send an official looking email that asks the receiver to open an attachment or disclose personally identifiable information.

**WHAT IS RANSOMWARE?**

Ransomware is a computer virus, worm or other malware that locks the user out of their computer or network, then demands

a ransom to restore access. It can be included in a software or document download. But it can also be embedded in videos and images.

**WHAT ARE REMOTE ACCESS TAKEOVERS?**

A remote access takeover is when a hacker uses a network or computer vulnerability to access devices on the network. It differs from ransomware in that you may still be able to use your computer while the hacker has access.

Recently, this has been coupled with a phone scam where the caller claims to be from tech support and asks you to allow them access to your computer

or network. Be wary of granting unknown callers access to your computer. Additionally, ensure your real tech support team members end their sessions when they remote into your computer, so that access point is not left open to hackers.

**WHAT ARE ACCOUNT TAKEOVERS?**

A hacker gains access to your account and then takes it over. These can originate from phishing attempts. But they can also stem from vulnerabilities in your computer, your network or the account itself. Be sure to keep your network security settings up-to-date, regularly update your software, and log out of accounts when not in use.

In a new twist, the fraudulent returns in a few cases used the taxpayers' real bank accounts for the deposit. A person posing as a debt collection agency official then contacted the taxpayers to say a refund was deposited in error and asked the taxpayers to forward the money to the fake collection agency.

This scheme is likely just the first of many that will be identified this year as the IRS, state tax agencies and tax industry continue to fight back against tax-related identity thieves. Because the federal, state and local authorities have made inroads combating identity theft, cybercriminals have evolved their tactics to focus on tax professionals where they can

steal client data. Thieves know it is more difficult to identify and halt fraudulent tax returns when they are using real client data such as income, dependents, credits and deductions. Generally, criminals find alternative ways to get the fraudulent refunds delivered to themselves rather than the real taxpayers.

**CYBER SECURITY TIPS**

Tax professionals are urged to seek cybersecurity experts to help better secure their data.

- Here are some basic steps:
- Educate all employees about phishing in general and spear phishing in particular.
  - Use strong, unique passwords. Better yet, use

- a password phrase. Use different passwords for each account. Use a mix of letters, numbers and special characters.
- Never assume that a seemingly familiar email address is a valid sender. Ensure that the email address exactly matches prior correspondence.
  - If an email contains a link, hover your cursor over the link to see the web address (URL) destination. If it's not a URL you recognize or if it's an abbreviated URL, don't open it.
  - Consider a verbal confirmation by phone if you receive an email from a new client sending you tax information or a client requesting last-minute changes to their refund destination.
  - Use security software to help defend against malware, viruses and known phishing sites and update



## WHAT IS THE W-2 SCAM?

W-2 scams are sent commonly via email to payroll, financial or human resource employees by cybercriminals. They impersonate an executive email address claiming to be from the company. The email will request W-2 information.

### How the scam works:

- These emails appear to be from an executive or organization leader to a payroll or human resources employee.
- The message usually starts with a simple greeting, like: "Hey, you in today?"
- By the end of the email exchange, all of an organization's Forms W-2 for their employees may be in the hands of cybercriminals.
- Because payroll officials believe they are corresponding with an executive, it may take weeks for someone to realize a data theft has occurred.
- Generally, the criminals are trying to quickly take advantage of their theft, sometimes filing fraudulent tax returns within a day or two.



## HOW CAN I PROTECT MY E-SERVICES ACCOUNTS AND EFINS?

Cybercriminals send spear phishing emails to trick tax preparers into releasing username and password credentials for e-Services accounts. Once thieves have this information, they can log into these accounts and steal the Electronic Filing Identification Number (EFIN) to file fraudulent tax returns.

- Keep accounts up-to-date.
- Check on the EFIN's status to ensure it is not being used by others.
- Compare your records with the number of returns the IRS received through your e-Services account.
- Recognize and avoid phishing scams that claim to be from the IRS or e-Services.



## TAX PRO RESOURCES

### TAX PRACTITIONERS' HELPLINE

The Department has a Tax Practitioners' Helpline, which is reserved for tax professionals. This line receives priority attention. Tax Examiners are available 8 a.m. to 4:30 p.m., Monday through Friday, except state holidays. After hours, tax professionals may leave a message. Calls are returned the next business day.

Email [DOR\\_TaxInfoEmail@state.co.us](mailto:DOR_TaxInfoEmail@state.co.us) to request the phone number. Please do not provide this telephone number to your clients. This line is a service for tax professionals only.

### ONLINE

- Website: [Colorado.gov/Tax](https://Colorado.gov/Tax)
- Revenue Online: [Colorado.gov/RevenueOnline](https://Colorado.gov/RevenueOnline)
- Revenue Online Assistance Videos: [Youtube.com/corevenueonline](https://Youtube.com/corevenueonline)
- Guidance Publications: [Colorado.gov/Tax/fyi-publication-categories](https://Colorado.gov/Tax/fyi-publication-categories)
- Training & Education: [Colorado.gov/Tax/Education](https://Colorado.gov/Tax/Education)
- Email Subscription Sign Up: [Colorado.gov/Tax/EmailSignUp](https://Colorado.gov/Tax/EmailSignUp)

### WALK-IN ASSISTANCE

Forms, information and in-person assistance are available 8 a.m. to 4:30 p.m., Monday through Friday. Visit [Colorado.gov/Tax/locations-service-centers](https://Colorado.gov/Tax/locations-service-centers) for updates on dates of operation before planning a visit.

Colorado Springs — 2447 North Union Blvd.

Denver — 1375 Sherman St.

Fort Collins — 3030 S. College Ave.

Grand Junction — 222 S. 6th St., Room 208

Pueblo — 827 W. 4th St., Suite A

**Note:** All payments must be paid by check or money order. If a taxpayer wishes to pay by cash, they may do so at 1881 Pierce St. in Lakewood. However, taxpayer assistance is not available at the Pierce location.



## IMPORTANT DUE DATES

If a due date falls on a weekend or holiday, the due date is the next business day.

### ESTIMATED PAYMENTS

April 15 (1st Quarter)  
 June 15 (2nd Quarter)  
 Sept. 15 (3rd Quarter)  
 Jan. 15 (4th Quarter)

### INCOME TAX RETURN AND RETURN OR EXTENSION PAYMENT

April 15

### INCOME TAX EXTENSION DUE DATE

Oct. 15

### ANNUAL RECONCILIATION

Jan. 31

### CREDITS

For credits in which the availability is dependent upon statutory thresholds, please visit the reports and notifications section at [Colorado.gov/tax/income-tax-credits](http://Colorado.gov/tax/income-tax-credits) for additional information.

## BUSINESS TAX CLASSES

This free class is for Colorado businesses and business tax professionals. It covers information on sales tax, special tax, special events, consumer use tax, wage withholding, licensing and filing tax returns. Registration must be completed prior to the scheduled class date. Visit [Colorado.gov/Tax/business-tax-class](http://Colorado.gov/Tax/business-tax-class) to enroll online.

This class is offered monthly at the following service centers:

- Colorado Springs – 2447 N. Union Blvd.
- Denver – 1375 Sherman St.
- Fort Collins – 3030 S. College Ave.
- Grand Junction – 222 S. 6th St., Room 208
- Pueblo – 827 W. 4th St., Suite A

## SCHEDULING

## DIRECT DEBIT

## PAYMENTS TIPS

Do not close or change the bank account until the payment is withdrawn from the account requested on the Direct Debit.

Keep enough funds in the bank account to cover the authorized amount until the payment is withdrawn.

Verify the amount and the dates the payments will be debited directly.

Do not make duplicate payments in place of the direct debit payments -- extra payments will not cancel or alter the scheduled transaction.

The authorized amount will be withdrawn regardless of the actual amount due on the tax account.

The payment will not be withdrawn until the return posts with the state.



# Always Help.

