



BEST PRACTICES FOR PREPARING 2016 COLORADO INCOME TAX RETURNS

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The Colorado Department of Revenue is dedicated to providing quality service to our customers in fulfillment of our fiduciary and statutory responsibilities, while instilling public confidence through professional employees. Our efforts focus on being both proactive and responsive to taxpayers and tax professionals by providing outstanding customer contact, education and information. The department provides the following information for practitioners' use in preparing 2016 income tax returns. These tips are organized in the general order of the filing process. Links to FYI publications, webpages on www.Colorado.gov/Tax, and other services and reference tools are included where applicable.

➤ COLLECT, REVIEW & VERIFY

Estimated Tax Payments and Prepayments: Taxpayers who have made estimated tax payments should carefully review their payment records before this line on the return is completed. The department suggests reviewing taxpayer account information on Revenue Online to verify the payment(s) the department received. Generally, taxpayers make estimated payments from a checking account but occasionally may make a payment from a savings or other account, so it is important to check all records. Additionally, the Colorado Form 104 requires a separate designation of each payment type and entry on the individual income tax return as follows:

- Prior-year Estimated Tax Carryforward on line 17
- Estimated Tax Payments on line 18
- Extension Payment on line 19
- Other Prepayments (104BEP, DR 0108 and DR 1079) on line 20

Errors in properly accounting for estimated payments will delay return processing and issuance of a potential refund. Estimated tax credit lines of other income tax type returns (corporation, partnership) will vary. See the corresponding tax booklets for details.

Employer or Entity FEINs on W-2s/1099s: Review, compare, and verify Federal Employer Identification Numbers (FEINs) when entering them into e-file software. Make sure the numbers entered match what is on the paper W-2 or 1099. If the FEIN entered into the tax software does not match the FEIN on the W-2 or 1099 submitted by the employer/entity, the taxpayer will be asked to submit paper copies of the W-2s/1099s.

Pay stubs are not W-2s: Pay stubs do not usually have the employer's FEIN on them. The FEIN is required when taxpayers file their income tax - whether electronically or on paper. The department verifies the FEINs to ensure the employer has paid the taxpayer's withholding tax. **When there is no FEIN with the income tax filing or the FEIN is incorrect, the taxpayer will be required to communicate with the department to verify withholding, which will delay refund processing.**

➤ FILING METHOD & PROCESS

Taxpayers and tax practitioners are strongly encouraged to file all tax returns either through your tax software or Revenue Online, www.Colorado.gov/RevenueOnline. If you need to file a paper return, you must list the name and SSN of the primary taxpayer on the top of every page of the return where indicated.

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 SSN or Colorado Account Number. 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, single account.

NOTE: 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 for step 4 below.

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

- 1) Log in to your account at www.Colorado.gov/RevenueOnline and click on "View My Profile" in upper right corner of the screen.
- 2) Click on "Grant Third Party Access" in the "I Want To" section.
- 3) Click on "Next" on the bottom right of your screen.
- 4) Complete Step 1 and click the "Submit" button.
- 5) 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: Click the "Client Accounts" button in the upper left section of the home screen. The owner's account will populate in your client account list.

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.

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 [Software Developers - Income Tax](#) webpage. Look for the Tax Year 2016 section. Open the tax type you need and click on the "Accepted Software" link.

Driver License or ID Information: The Colorado Department of Revenue's request for driver license or ID number information on the Colorado individual income tax return came out of the national electronic filing standards established by the Tax Implementation for Group E-Commerce Requirements Standardization (TIGERS). Additionally, the department may use the information in its security measures to detect and prevent refund fraud. Omitting any of this information may delay return and refund processing. However, if the information is not provided on the return, it will not stop Colorado income tax return and refund processing because providing the information is optional.

Full, Legal Name: The department matches the taxpayer name(s) used on the Colorado return with the names used on the federal return. When the names do not match, this causes process delays, which will affect the speed of receiving any refund.

Filing Status: Taxpayers must file their Colorado income tax returns with the same filing status that they indicated on the federal return.

➤ PAPER FILERS

Individual Income Tax Schedules: The 2015 Individual Income Tax Return was five pages, a combination of new credits, the State Sales Tax Refund (TABOR), and design changes needed to ensure better processing of paper forms in our imaging system. The department recognizes that not all taxpayers need to concern themselves with consumer use calculations, subtractions, and voluntary contributions. As a result, the department created 3 schedules for these items this year to reduce the number of pages a typical taxpayer will need to fill out. If you must file a paper return for a client, please ensure that all associated schedules are included with the return. Missing schedules will result in processing delays.

W-2s: When filing a **paper** return, all W-2s must be attached (stapled) to the front of the form where indicated. When the W-2s do not add up to the withholding claimed on the individual return (Colorado Form 104, line 16), return processing will be delayed. The department will ask the taxpayer to either send copies of the W-2s or other additional information. When filing an **electronic** return, the department recommends attaching scanned copies to the e-filed tax return. While there is no requirement to electronically attach scanned W-2s to an e-filed return, the copies will allow the department to process the returns when questions arise during return review or when employers have not yet sent in their W-2 statements to the department. Documents also may be submitted through [Revenue Online](#). Click on the "Submit an e-Filer Attachment" link.

1099s: The Department of Revenue receives 1099 income withholding statements from entities that have withheld Colorado income tax on behalf of a taxpayer. Preparers are urged to ask their clients whether they have any 1099 statements that show Colorado withholding. When filing a **paper** return, the 1099s that show Colorado withholding should be attached (stapled) to the form in the same area where the W-2s are attached. When filing an **electronic** return, the department recommends listing the Colorado gross income, as well as any Colorado withholding. Additionally, it recommends attaching scanned copies to the e-filed tax return. While there is no requirement to provide this information or to attach 1099s to an e-filed return, doing so will allow the department to process the returns when questions arise during return review or when the entities that issued the 1099s have not yet submitted the statements to the department. The taxpayer's 1099s may also be submitted through [Revenue Online](#). See publication [FYI Income 2](#).

Pre-sort mailing instructions: Starting on January 1, 2017, the Zip+4 Code for mailing addresses will change for the forms listed below based on whether or not the income tax return/form includes a payment when mailed to the department. The change in zip code was requested to ensure payments sent in with voucher coupons are separated from returns without a payment and may ensure smoother processing of such returns and payments. Please be sure to direct your clients' returns with and without payment accordingly.

- 104 Individual Income Tax Return
- 104CR Individual Credit Schedule
- 104PN Part-Year Resident/Nonresident Tax Calculation Schedule
- 104X Individual Amended Return
- 105 Fiduciary Income Tax Return
- 106 Partnership or S Corporation Return
- 106CR Pass-Through Entity Credit Form
- 107 Nonresident Partner, Shareholder or Member Agreement
- 112 C-Corporation Income Tax Return
- 112C Colorado Affiliations Schedule
- 112CR Credit Schedule for Corporations
- 112SF Single Factor Apportionment Schedule
- 112X Corporation Amended Return
- E-Filer Attachment Form (DR 1778)
- Innovative Motor Vehicle Credit (DR 0617)

Note: These addresses and zip codes are exclusive to the Colorado Department of Revenue, so a street address is not required.

If you are filing this return:

With A Payment		Mail To: COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0006
Without A Payment		Mail To: COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0005

➤ CREDITS & SUBTRACTIONS

Many credits and subtractions require submission of additional supporting documentation with the return. Use the new Subtractions from Income Schedule (DR 0104AD) to report any subtractions from Federal Taxable Income and Individual Credit Schedule 2016 (Form 104CR) to calculate income tax credits. Be sure to review the income tax booklet and FYI publications for specific details. Also see the following webpages: [Income Tax -- Credits](#) and [Income Tax -- Subtractions](#).

Capital Gain Subtraction: The department will make every effort to verify required documentation was included in the filing of the return before contacting the taxpayer for more information. That is why it is important that the following supporting documents are submitted with the return:

- A Colorado Source Capital Gain Affidavit (DR 1316) must be completed and included with the return (electronic or paper). With e-filed returns, attaching the form to the electronic return or submitting it as an E-Filer Attachment in Revenue Online is not sufficient. For electronic returns, the information must be data entered on the form DR 1316 portion of the return, *and*
- A copy of the closing statements for both the purchase and sale of the property or official documentation from the county detailing purchase date, purchase price, sale date and sale price, *and*
- Copies of the first two pages of the corresponding federal return, form 8949, and any other documentation attached to Schedule D, *and*
- If the capital gain were received via a pass-through entity, documentation that the interest in the underlying business satisfies the required five-year holding period.

If the capital gain is claimed on a 2009 or prior year return and was due to the sale of stock or ownership interest, documentation must verify the stock or ownership interest was held for at least five years prior to the sale, that the company was a Colorado company, and that the stock was acquired after May 9, 1994.

If form DR 1316 is included and the capital gain subtraction claimed is \$100,000 or less, the department will continue its practice of reviewing the capital gain subtraction claim two to three years after the return is originally filed, when the IRS provides federal return information to Colorado's Discovery Section. For more information, see publication [FYI Income 15](#).

Colorado Marijuana Business Deduction on Colorado Form 104: This deduction is designed to allow businesses in Colorado engaged in retail or medical marijuana to claim a state tax deduction on expenses that would otherwise be allowed on the federal return but are forbidden pursuant to IRC 280(e). To claim the deduction, a taxpayer must file a pro-forma federal return showing its tax liabilities as though expenses were allowed and must submit the pro-forma return with the Colorado tax return to expedite processing. The department also recommends including the Federal profit and loss schedules.

Consumer Use Tax: Individuals are required to pay either a sales tax on tangible personal property or a use tax on tangible personal property if no sales tax was assessed. In an effort to make it easier for individuals to declare the amount of tangible personal property subject to use tax, the Consumer Use Tax Reporting Schedule (DR 0104US) is included in the 104 booklet to report the amount of use tax due. See the 104 booklet for specific instructions. Please note that if a taxpayer owes consumer use tax, filing with the income tax form is one of three ways to submit that tax. A taxpayer can also choose to file via Revenue Online or by using the Consumer Use Tax Return (DR 0252).

➤ **FORM 104CR INDIVIDUAL CREDIT SCHEDULE**

When calculations from the Individual Credit Schedule 2016 (Form 104CR) are transferred to the Colorado Form 104 return, the Form 104CR **MUST** be included with the Colorado Form 104 regardless of whether it is filed electronically or via paper. Take care to enter the correct amounts on the correct lines in the tax software. You may be required to enter the credit amount or the amount that creates the credit. The department needs to verify that these amounts came from the Form 104CR.

- Enter refundable credits from Form 104CR, line 8 on the Colorado Form 104, line 23.
- Enter nonrefundable credits from Form 104CR, line 35 on the Colorado Form 104, line 11.

If you have to paper file, you must ensure that the amounts on the Form 104CR, or any other supporting schedule, match exactly to their corresponding locations on the 104. If a discrepancy exists, it will slow down return processing and generate correspondence from the department.

Earned Income Tax Credit (Form 104CR Part I): This credit is available to Colorado taxpayers who claimed the earned income tax credit on their federal returns. The Colorado credit is 10% of the amount claimed on the federal return. Returns that claim the Colorado earned income tax credit should include the following documentation to avoid processing and refund issuance delays: the federal tax return and the associated schedules for determining the federal credit.

Business Personal Property Tax Credit (Form 104CR Part I): Businesses that have \$15,000 or less of personal property on which they pay business personal property taxes may take an income tax credit. If you

have a client who meets these qualifications, please refer to the instructions in the income tax booklet. Taxpayers claiming this credit must submit a copy of the assessor's statement to substantiate that personal property taxes were paid.

Credit for Income Tax Paid to Another State (Form 104CR Part II): A copy of the tax return filed for each state **MUST** be included with the Colorado income tax return, unless the other state does not require a return. We understand that some of these returns can be several pages in length. Include the portion of the return that shows tax paid to the other state (enough information for us to see the net tax liability after credits). The tax returns for the other states must be included as electronic attachments with an e-filed return or may be submitted through [Revenue Online](#). For paper returns, a copy of each state income tax return must be submitted with the paper Colorado Form 104. The total credit for taxes paid to other states may not exceed the Colorado tax attributable to the total non-Colorado source income. If taxes were paid to two or more states, or if income and/or losses are incurred in two or more other states, a separate credit must be computed for each state to which taxes are paid and a limitation computation must be done for all income and/or losses received from other states. The credit will be the lesser of the following:

- The total of credits computed for each state to which taxes are paid, *and*
- The credit computed using the combined tax paid, income, and losses from all other states.

Colorado Alternative Minimum Tax Credit (Form 104CR Part III): Input the federal minimum tax credit amount on the Form 104CR in the box within line 18. When the box is not completed, it causes the Colorado credit to be denied even when the line item has the Colorado Minimum Tax Credit in it. See publication [FYI Income 14](#).

Child Care Contribution Credit (Form 104CR Part III): When a taxpayer claims the Child Care Contribution Tax Credit, the Child Care Contribution Tax Credit Certification form (DR 1317) must be completed by the organization/entity that receives the donation from the taxpayer. If taxpayers are uncomfortable providing the organization with their Social Security Number(s), taxpayers may obtain their Colorado Account Number (CAN) by accessing their tax account in [Revenue Online](#). The CAN may be used on the certification form instead of the SSN. The organization gives the completed form to the taxpayer. A copy of this form **MUST** be submitted with the return that claims this tax credit. The taxpayer may complete the Social Security/Colorado Account Number portion of the certification form after the organization completes the form. For information about this credit, see publication [FYI Income 35](#).

Enterprise Zone Credits - IMPORTANT: There is an electronic return filing requirement for all taxpayers who claim these credits. Paper returns may be filed **ONLY** if an electronic return would create a hardship for the taxpayer. If your software product does not support the 2016 Enterprise Zone Credit and Carryforward Schedule (DR 1366), we suggest you file using [Revenue Online](#), which has a document attachment feature. The total credit amount is calculated using the form DR 1366 schedule. Enter the sum of all used enterprise zone credits on the Colorado Form 104 line 12. (See the corresponding tax booklets for further instructions regarding other types of returns.) **Both the DR 1366 and the applicable certification form** (or email printout from the Office of Economic Development and International Trade) **for each EZ credit claimed** must accompany the income tax return, whether the return is e-filed or submitted on paper.

Innovative Motor Vehicle and Innovative Truck Credits: Use the Innovative Motor Vehicle Credit and Innovative Truck Credits form (DR 0617) and attach it to any income tax return claiming this credit. The department checks a county motor vehicle database to verify ownership of these vehicles. If the registration is not in the taxpayer's name in this database, the department's tax examiners will ask for a copy of the

purchase invoice and proof of Colorado registration. For more information about this credit, see publication [FYI Income 67](#).

Voluntary Checkoffs: Colorado offers taxpayers the opportunity to donate a portion or all of their refunds to charitable organizations. For tax year 2016, there are 20 organizations on the new Voluntary Contributions Schedule (DR 0104CH). When creating your end of year check-list and questionnaire, the department recommends that you include information on these organizations with a goal of letting your clients know their options regarding end-of-year charitable contributions. The organizations on the 2016 form follow in the order they appear on the DR 0104CH schedule, along with a short description of their missions. More information is available about these organizations at www.CheckoffColorado.com.

- **Nongame and Endangered Wildlife Cash Fund (Line 1):** Nongame wildlife includes 750 species of wildlife that cannot be hunted, fished for, or trapped. Funds go to projects that manage or recover wildlife such as lynx, river otter, black-footed ferret, green back cutthroat, and others. The nongame program receives no state tax dollars and depends on voluntary contributions.
- **Colorado Domestic Abuse Program Fund (Line 2):** Donations to this fund help support critical services provided by community-based domestic abuse programs across Colorado. These agencies provide 24-hour crisis line response, emergency safe shelter, counseling, and advocacy services for victims of domestic violence and their children, information and referrals for their communities, and community education.
- **Homeless Preventive Activities Program Fund (Line 3):** Approximately 52,000 people in Colorado are at risk of becoming homeless this year. Keeping people in their homes saves tax dollars and is an effective and humane way of helping families in crisis. Your contribution will be used to support activities and programs which help prevent people from becoming homeless.
- **Western Slope Military Veterans Cemetery Fund (Line 4):** Funds assist in the maintenance of the Veterans Memorial cemetery of Western Colorado. The veterans cemetery is intended as a dignified final resting place for Colorado's veterans and eligible dependents. It is a place of quiet contemplation for the veterans community. Please help maintain this solemn beauty for Colorado veterans.
- **Pet Overpopulation Fund (Line 5):** The Pet Overpopulation Fund provides funding to local animal care and control organizations and veterinarians for sterilization surgeries for pets owned by Coloradans in areas of the state with the greatest need. The Fund also supports efforts to educate the public about the importance of preventing pet overpopulation.
- **Military Family Relief Fund (Line 6):** Provides emergency grants for financial hardships to members of Colorado National Guard or Reservist and their families when ordered to Active Military duty and to Active Duty Military Personnel stationed in Colorado and their family members when the Active Duty military member is deployed to a declared hostile fire zone.
- **Public Education Fund (Line 7):** This fund supports the Colorado Preschool Program which provides high-quality preschool for children impacted by factors such as poverty, homelessness, abuse, or neglect. Children are supported by qualified early childhood professionals in safe and nurturing learning environments. Children overcome substantial gaps and make significant gains that persist throughout their schooling.
- **Roundup River Ranch Fund (Line 8):** Part of Paul Newman's Serious Fun Children's Network, Roundup River Ranch enriches the lives of children with serious illnesses and their families by offering free, medically-supported camp programs that provide unforgettable opportunities to discover joy, friendships, and confidence.
- **9Health Fair Fund (Line 9):** This fund provides free blood screenings and exams to thousands of underserved Coloradoans each year. Donations to this fund help offset lab and supply costs at 140 locations across the state. 9Health Fair is an independent nonprofit separate from 9News, our media partner, serving over 60,000 annually. Improving Colorado's health since 1979.
- **American Red Cross Colorado Disaster Response, Readiness, and Preparedness Fund (Line 10):** The American Red Cross prevents and alleviates human suffering in the face of emergencies. In Colorado, the Red

Cross teaches tens of thousands of people lifesaving skills every year, provides critical services for members of the military and their families, and responds to, on average, a disaster a day.

- **Colorado for Healthy Landscapes Fund (Line 11):** The health and beauty of our landscapes defines our lifestyles as Coloradans. The Healthy Landscapes Initiative promotes sustainable management and healthy relationships with our lakes, rivers, peaks, and high deserts. Stewardship efforts support education, wildlife habitats, agricultural diversity, research, and invasive species management. Your contributions are the seeds for sustainability.
- **Habitat for Humanity of Colorado Fund (Line 12):** Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities, and hope. Through volunteer labor and donations, Habitat for Humanity builds and rehabilitates simple, decent homes in partnership with hardworking low-income individuals and families in 45 Colorado communities.
- **Special Olympics of Colorado Fund (Line 13):** Special Olympics Colorado provides year-round athletic competition in 22 sports for over 19,000+ athletes with intellectual disabilities from 2 to 80+ years old. We create inclusive and welcoming schools for children with all differences through unified sports and youth leadership. Programs are free of charge to athletes and their families.
- **Colorado Youth Corps Association Fund (Line 14):** This fund helps employ youth, young adults, and military veterans on critical projects in Colorado such as flood recovery, fire mitigation and suppression, removing invasive species, and building trails for hikers, bikers, and equestrian users—all while earning education scholarships. Please help CYCA change lives and landscapes for the better!
- **Colorado Healthy Rivers Fund (Line 15):** This fund protects Colorado’s lands and waterways. The state’s streams, wetlands, mountains and forests serve many needs including water supply, agriculture, wildlife and recreation. Your generous support of this program will fund stream restoration projects and assist local groups in watershed protection efforts. Remember, your contribution will make a difference!
- **Alzheimer’s Association Fund (Line 16):** One in 10 Coloradans over 65 and nearly half over 85 have Alzheimer’s disease with 70% cared for at home. 100% of your donation to the Alzheimer’s Association will fund essential education, training, and counseling services to urban and rural families. Without support, the emotional burden on caregivers is tremendous.
- **Colorado Cancer Fund (Line 17):** Cancer touches every Coloradan as it is the leading cause of death in our state. Your donation to the Colorado Cancer Fund assists Coloradans through education, prevention, treatment, and support programs. The Colorado Cancer Coalition, collaborating with over 250 organizations, administers the fund to lead the fight against cancer.
- **Make-a-Wish Foundation of Colorado Fund (Line 18):** Since 1983, Make-A-Wish Foundation® of Colorado has given hope, strength and joy to over 3,300 Colorado children with life-threatening medical conditions. As one of 65 chapters in the U.S., and 27 international chapters on five continents, Make-A-Wish Foundation® is the largest wish granting organization in the world.
- **Unwanted Horse Fund (Line 19):** Approximately 6,000 Colorado horses become unwanted each year because their owners no longer want them or can afford them. Abuse and abandonment are increasing whilst traditional outlets for unwanted horses—rescue facilities, therapeutic riding programs, etc., are reaching capacity. CUHA addresses the problem through grant programs, education initiatives and research.
- **Colorado Multiple Sclerosis Fund (Line 20):** 1 in 580 people in Colorado have Multiple Sclerosis; a chronic and often disabling central nervous system disease usually beginning in young adulthood.

➤ OTHER INCOME TAX TYPES

Claiming credits from a Pass-through Entity: Individuals claiming tax credits that are issued by a partnership should obtain from the partnership a federal K-1 schedule for each credit. The federal K-1 is created and issued by the partnership. If a K-1 is unavailable, attach a statement to the individual return with the name of any pass-through entity. The department verifies the claim by reviewing the partnership’s

return. The K-1s or statements may be submitted through the [Revenue Online](#) **Submit an e-Filer Attachment** service, through tax software, or may be attached to a paper return.

➤ FINISHING THE TAX RETURN

When in doubt, include attachments: Provide as much supporting documentation as you can. Follow the instructions for supporting documentation.

Most MeF (the abbreviation for what the IRS calls “Modernized e-File”, AKA “tax software”) software will allow for document attachments. If your e-file tax software does not support attachments, the department strongly recommends using the **Submit an e-Filer Attachment** service in [Revenue Online](#) immediately after submitting the return. The documents will be directed to your client’s account. This will allow the department to view these documents concurrently with the return. When a return is filed in Revenue Online, you may submit the attachments during the return completion process.

For paper return submission, attach the required documentation to the return before mailing. The department recommends *against* using the E-Filer Attachment Form (DR 1778) to submit supporting documentation because it can now delay processing a minimum of six weeks. The department is transitioning away from the form DR 1778, which was created in the early days of e-file software availability when most software did not provide the document attachment option.

To repeat, MeF attachments are preferred, followed by Revenue Online e-Filer Attachments, and finally, attaching paper documents to the paper return. If you need to send paper documents in separately, you must use the form DR 1778 to help get the documents into the taxpayer’s account.

Third Party Access Designee Expansion: The designation has been expanded. The form states, “Do you want to allow another person to discuss this return **and any other information related to this return** with the Colorado Department of Revenue?” The added language accommodates situations where other tax years have an impact on the return and allows department staff to discuss the information with the designee.

Prevent delays with your tax returns and payments: Missing Social Security numbers (SSN) and Colorado Account numbers (CAN) on forms and/or payments made by check cause processing problems and could delay proper credit for a tax account. This also could result in billing notices sent to taxpayers because the accounting system doesn’t know to which tax account the tax payment applies.

Make sure the SSN or CAN is listed on the memo line of the check and is on any documentation mailed to the department. This is especially important when a check is sent without a form. The department receives thousands of checks each month that do not have an SSN or CAN, resulting in research time to properly credit the taxpayer. This causes delays in return processing and any refund.

The best way to avoid these problems is to e-file and pay Colorado taxes through [Revenue Online](#).

➤ AFTER YOU FILE

Amended Returns: Amended returns **replace** the original tax return. Send only the **NEW** supporting documents with the amended return and **ALL** the schedules. In the past, the department asked for all supporting documents even if they were already submitted. See the [Quick Answer on amending a return](#).

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

Make sure you use the appropriate 104X version for the year you are amending because the 104X is year-specific (for example, use a 2014 form 104X for an amended 2014 return).

Individual income tax returns from 2009 and forward may be amended electronically through [Revenue Online](#). Filing and amending returns in Revenue Online is a free service. 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 104X.

When changing the Colorado return because the IRS made changes to the federal return, you must file form 104X 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 can result in receiving refunds faster as long as the return is “correct and complete.”*

*Correct and complete means the return/refund does not have any missing information or documentation and it does not fall into the risk profile for a fraudulent filing and fraudulent refund. 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? It 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 14 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.

Correct and Complete* Income Tax Filing	Refund Made/Issued Within
January	14 days
February	21 days
March	28 days
April	45 days

Refund Status: You can monitor refund status through the [Revenue Online](#) service. Once you sign up through Revenue Online, you can file a return, view filing history, and conduct other common transactions with the department.

File a Protest: Protests may be filed in Revenue Online without logging into a specific account. Look for **File a Protest** on the main [Revenue Online](#) website.

The Colorado Department of Revenue 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 reviews all 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.