

**Taxpayer Service Division
Colorado Department of Revenue**

December 31, 2013 (Final)

Electronic Filers Handbook

(Tax Year 2013)



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INTRODUCTION

The Colorado Department of Revenue (DOR) has joined with the Internal Revenue Service (IRS) to provide for the electronic filing of federal and state income tax returns. The Federal/State Electronic Filing program in Colorado is an extension of the IRS's Modern eFile(MeF) program.

This handbook is an expansion of the IRS's Publication 1345. All specifications, requirements, and instructions defined in Publication 1345 apply to the Colorado FSEF program unless herein stated otherwise.

FSEF PROGRAM

How the FSEF/MeF Program Works

Federally accepted ERO's and Transmitters will be able to file and/or transmit both the federal return and the Colorado return in one transmission to the appropriate IRS Service Center. The IRS will acknowledge to the Transmitter whether the federal return has been accepted and whether it has received the state data. After the federal and state returns are received and accepted by the IRS, the state return is then made available to Colorado by the IRS for electronic retrieval. The state data retrieved from the IRS by Colorado will then be placed into the Colorado DOR's computer system for state data processing.

Acceptable Returns and Forms

For tax year 2013, the DOR will accept the electronic transmission of tax due, zero tax, state only refund returns, deceased returns, and the following forms:

- Individual Income Forms 104, 104PN, 104CR, and 104 AMT
- C-Corporation Forms 112, 112CR, Sch C and Sch SF
- Partnership Income Forms 106, Parts I-IV, and 106CR
- Fiduciary Income Form 105 and Schedules A-G
- Innovative Motor Vehicle Credit Form DR 0617
- Gross Conservation Easement Credit Forms DR 1303, DR 1304, and DR 1305
- Form DR 1316: Colorado Source Capital Gain
- Form DR 1366: Enterprise Zone Credit and Carryforward Schedule
- Withholding Schedules: W2, W2G, 1099R, 1099G, and 1099 Misc.

Return Processing Issues

Failure to include the required information may cause a return to be delayed, and in some cases be rejected when submitted.

Refunds

FSEF refunds will be paid through the Colorado paper refund warrant system or by direct deposit. The taxpayer who files electronically can expect to have the paper refund warrant mailed within 6 to 14 working days from the date of the acknowledgement record from the Colorado DOR, unless the following conditions exist:

- The taxpayer owes a debt to the Colorado DOR, a state agency (e.g., child support, student loans, etc.), or the IRS.
- The return contains criteria that matches the Colorado DOR's error and/or fraud detection profile.

If any of the conditions above exist for the taxpayer, their refund will be delayed a minimum of 3 to 5 weeks. Otherwise, if the taxpayer does not receive their refund by the 15th day from the day the return was acknowledged by the Transmitter, the taxpayer is advised to contact the Colorado DOR's Income Tax Refund Inquiry Line at (303) 238-3278.

Balances Due

Taxpayers who file electronically and owe a balance due to the Colorado DOR are responsible for submitting the payment by April 15, 2014. For tax year 2013, taxpayers that efile can pay by direct debit. The debit information will be part of their efiled return. Note that if the bank routing number information is not valid, the return will be rejected. Taxpayers may also pay online using Online Tax Payment at the DOR website. Otherwise the taxpayer can pay by mail using form DR 0900. The DR 0900 form series for payment by mail may be reproduced. The ERO should provide this form to the taxpayer. The DR 0900 series of forms are also available in the 2013 income tax booklets and on the DOR's website at www.taxcolorado.com.

ERO APPLICATION

No Application Process

All EROs and Transmitters who are participating in the IRS E-File program (tax year 2013) are pre-approved to participate in the Colorado FSEF program and **do not need to apply** or register with Colorado.

ACKNOWLEDGEMENT PROCESS

Colorado will use the Internal Revenue Service acknowledgment system to acknowledge receipt of the return. Colorado has no reject codes. The Colorado DOR will typically acknowledge receipt of the Colorado data to the Transmitter via the Internal Revenue Service acknowledgment system within one business day of the time the state return is transmitted to the IRS. Returns usually will be viewable in Revenue Online within two business days unless there is missing documentation.

FORM DR 8453, WITHHOLDING SCHEDULES, and FORM DR 0900

ERO Requirements and Responsibilities

Colorado Form DR 8453 must be signed by both the ERO and the taxpayer at or near the time of the e-file transmission. The ERO's requirements for the DR 8453, 2013 tax return and attachments are stated in Part III of the DR 8453 form and the form's instructions.

NOTE: DO NOT MAIL FORM DR 8453 TO THE IRS OR THE COLORADO DOR.

Military and VITA Site Responsibilities

Colorado Form DR 8453 must be signed by both the military or VITA site volunteer and the taxpayer. VITA sites and military sites are no longer required to submit the DR 8453 to the Department of Revenue. The taxpayer should retain the DR 8453.

PC Filer Requirements and responsibilities

The PC(online) Filer's requirements for the DR 8453, 2013 tax return and attachments are stated in Part II of the DR 8453 form and the form's instructions (copy in appendix).

SUBMITTING ATTACHMENTS

ERO Requirements and Responsibilities

You can submit required documentation securely as a pdf attachment with the return if your software allows. Documents can also be securely uploaded on Revenue Online if you have third party access to the client account. Find the E-Filer Attachments icon, read the provided instructions, and attach as many documents as required. Pdf attachment is the best method of submitting the documentation because the electronic files will go directly to the taxpayer's account. E-Filer attachment also gets the document directly to the taxpayer account with some manual steps. If pdf attachment or Revenue Online cannot be used, Form (DR 1778) should be completed and mailed with any paper supporting documentation. If the return cannot be efiled, documentation should be attached to the paper return.

Documenting Excessive Withholding

Revenue Online or Form DR 1778 should be used to submit a copy of any W-2 showing Colorado income tax withholding in excess of 4.63% of wages.

ELECTRONIC FILING CONTACTS

Electronic Filing Coordinator

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

State Acceptance Testing Associate

Kurt Bloomer, Taxpayer Service Division
kurt.bloomer@state.co.us
Phone: (303) 205-8211 x6871
FAX: (303) 866-3211

Electronic Filing Help Desk

Taxpayer Service Division
Phone: (303) 866-3889

(This number is for Software Developers, Transmitters, ERO's, and preparers who have specific questions relating to the function, administration, problems or technical aspects of Electronic Filing. Taxpayers who have not received their refund should not be given this number, but instead should be directed to the "Tax Assistance Available " on this page.)

FAX: (303) 866-3211

Mailing Address for Federal/State Electronic Filing Program

Colorado Department of Revenue
Federal/State Electronic Filing Program
1375 Sherman Street
Room 206
Denver Colorado 80261

COMMENTS

The purpose of this handbook is to assist Electronic Filers in the steps necessary to successfully participate in the Colorado FSEF program. Your comments and suggestions to this end are greatly appreciated. Your comments and suggestions may be directed to the Efile Coordinator FAX number listed on this page.

TAX ASSISTANCE AVAILABLE

The Colorado Department of Revenue offers two ways to access both automated and live customer service.

By Web and Telephone

At www.taxcolorado.com

Taxpayers get 24-hour service using **Revenue Online** by going to Colorado.gov/revenueonline. They will have **automated access** to:

- Colorado personal income tax account and refund status
- Make changes of address
- Establish a payment plan
- File an amended return

(303) 238-SERV (7378)

Taxpayers can obtain **recorded general information** about Colorado taxes or talk to us during business hours about:

- Colorado income tax
- Colorado business tax and information (sales and use tax, severance and wage withholding taxes)
- Account specific information from our customer service representatives during regular business hours.

ERROR CODES

Colorado performs certain checks up front before accepting a return. If those checks are not passed, a reject acknowledgment will be sent with a message stating the reject reason. There are also warnings when certain documentation may be required. A list of error codes can be found at taxcolorado.com > Tax Professionals > Electronic Filing Software Information for Developers:

- > Individual > Form 104 Rules Error Codes
- > C-Corporation > Form 104 Rules Error Codes
- > Partnership > Form 104 Rules Error Codes
- > Fiduciary > Form 104 Rules Error Codes

Please note that for tax year 2013, returns claiming enterprise zone credits must be filed electronically. Failure to electronically include Form DR 1366, Enterprise Zone Credit and Carryforward Schedule, will cause the return to be rejected.

ISSUES THAT CAN DELAY PROCESSING

When claiming credit for tax paid to other states, a copy of the other state return(s) should be attached as pdf documents to the efiled return, submitted by Revenue Online attachment, or mailed in using Form DR 1778.

When claiming the innovative motor vehicle credit, the purchase invoice and proof of registration must be submitted electronically or by mail with Form DR 1778.

When claiming the enterprise zone credits, certification Forms DR 0074, DR 0075, DR 0077, DR 0078, and DR 0078A, as applicable, must be submitted electronically or by mail with Form DR 1778.

The child care contribution credit requires submission of Form DR 1317 electronically or by mail with Form DR 1778.

Forms

Forms DR 8453, 8453C, 8453P, 8453F, 0900, 0900C, 0900P, and 0900F can be found at taxcolorado.com by going into the Forms button and choosing Forms by Number.

Accepted Software

A list of software accepted for filing Colorado income tax can be accessed on the Department of Revenue website taxation page taxcolorado.com:

Individual [Tax Professionals > Filing Information > Electronic Filing Concerns](#)

Business [Business Income](#) (on the left sidebar)

Note: Colorado's acceptance of the listed participants is not an endorsement of their software or their ability to perform. Acceptance into the Colorado program simply means they have demonstrated the ability to transmit electronic data to the state in an acceptable format and/or to acknowledge the transmission of such data.