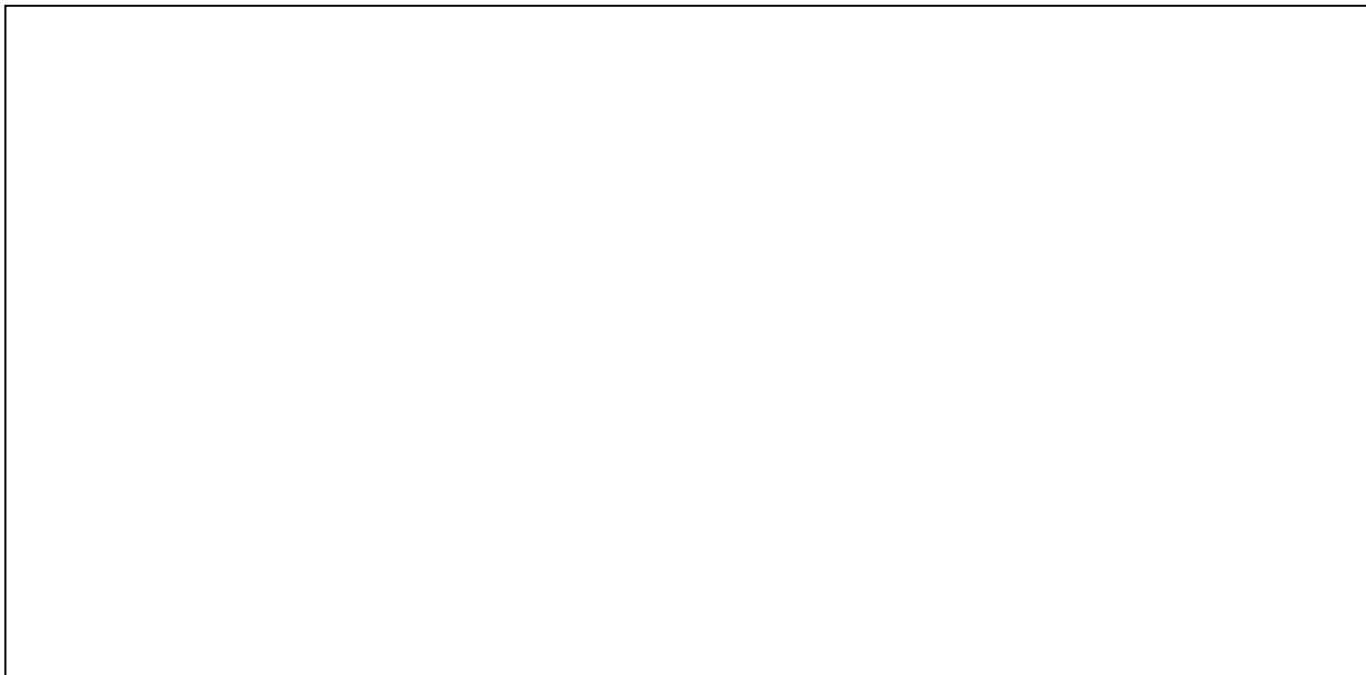


**Taxpayer Service Division  
Colorado Department of Revenue**

September 4, 2012 (Draft)

**Software Developers Handbook  
Individual Income Tax**

(Calendar Year 2013)



CLICK. ZIP. FAST ROUND TRIP.

**COLORADO DEPARTMENT OF REVENUE  
ELECTRONIC FILING  
SOFTWARE DEVELOPER'S HANDBOOK FOR CALENDAR YEAR 2013**

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OTHER SOURCES:

Latest revisions of the Software Developers Handbook, draft and final forms, schemas, and business rules will be at the following web address:

<http://www.colorado.gov/cs/Satellite/Revenue/RE VX/1201542308839>

## 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 personal income tax returns. Updates to this document will be posted to our website at the address listed on the previous page. Tax year 2012 draft forms and schemas will be also be posted on the internet at that web address.

### MODERN EFILE

Colorado will only accept tax year 2012 individual income tax returns through the IRS Modern eFile program (MeF). The start date for such filings is January 22, 2013. Colorado follows the TIGERS and IRS Publication 4164 guidelines for Modern eFile returns. Returns for the prior two years can also be submitted as MeF returns.

### LEGACY FED/STATE

Colorado will not support legacy Fed State efile as a contingency for tax year 2012.

### TYPES OF RETURNS/FORMS

Colorado will accept refund, balance due or zero balance returns for tax year 2012. Forms 104, 104CR, 104PN, 104AMT, 1305, 1316, W2, W2G, 1099R, 1099G, and 1099Misc can be transmitted electronically to Colorado.

### DIRECT DEPOSIT OF REFUNDS/DIRECT DEBIT AND CREDIT CARD PAYMENTS

Direct deposit of refunds using the FinancialTransaction schema for RefundDirecDeposit is available for the 2013 filing season. Some taxpayers pay the Internal Revenue Service by direct debit or credit card. For the 2013 filing season Colorado will accept direct debit for efiled returns using the FinancialTransaction schema for StatePayment. 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. Echeck and credit card payments are available online at <https://www.colorado.gov/apps/dor/tax/netfile/welcome.jsf>. If they do not do direct debit or online payment, they must send any Colorado balance due payment by check along with Form DR 0900.

### FOREIGN ADDRESSES

Colorado will accept returns with a foreign address.

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## 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 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](http://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

Electronic Filing State Coordinator Steve Asbell Taxpayer Service Division <a href="mailto:sasbell@spike.dor.state.co.us">sasbell@spike.dor.state.co.us</a> (Phone: (303) 866-3889 FAX: (303) 866-3211	Electronic Filing Help Desk Steve Asbell Taxpayer Service Division <a href="mailto:sasbell@spike.dor.state.co.us">sasbell@spike.dor.state.co.us</a> 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: <a href="mailto:kbloomer@spike.dor.state.co.us">kbloomer@spike.dor.state.co.us</a> Phone: 303-205-8211 x6871	

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## SECTION 3: SPECIAL INSTRUCTIONS

### RETURN DATA REQUIREMENTS

The record layout instructions that reference required data if certain lines are greater than zero must be followed closely. For example, the Enterprise Zone contribution credit calls for the contribution amount to be populated if the contribution credit claimed 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. The required fields are highlighted in yellow in the Colorado record layout. These include:

Other subtractions explanation in certain situations. (see layout instructions)

Alternative fuel vehicle credit

Contribution to enterprise zone administrator

Name of Enterprise Zone

Date of Enterprise Zone certification signature

Plastic recycling investment tax credit

Child care contribution credit

Most credits require submission of certain documentation. Please see the forms and instructions. Required documentations should be submitted as attachments to the return or submitted in Revenue Online or using the DR 1778.

### ACKNOWLEDGEMENTS/ERROR CODES

For tax year 2012 Colorado will be using the Internal Revenue Service MeF system for acknowledgement service. We will validate the withholding schedules and will reject returns that do not correctly support the withholding claimed on Form 104. Colorado will also reject returns that do not meet certain other conditions. See the Appendix for information on reject error codes.

### 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 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.

### W2'S, W2G'S, 1099R'S AND TIGERS/COLORADO VERSIONS OF THE 1099G AND 1099MISC

If a taxpayer is claiming any amount of Colorado state income tax withheld, the withholding amount claimed on line 25 of form 104 MUST be supported by the transmission of the appropriate withholding schedules listed above or the return will be rejected. Rejected returns must be resubmitted as an unlinked return with the proper withholding information.

Please note that payments made for partners in a partnership are treated as estimate credit in our system and should be claimed on the Form 104 estimate credit line 26.

Only withholding schedules reporting Colorado income tax withheld need to be transmitted to Colorado. If a withholding schedule does not contain an amount of Colorado income tax withheld, it does not need to be transmitted. **The state wages or state income amount must be included.** Failure to provide this information will result in disallowance of the state withholding claimed.

**FORM 1099G**

For tax year 2012, Colorado will require the transmission of the form 1099G to report Colorado income tax withheld from Colorado Unemployment Compensation using the TIGERS schema State1099G. To indicate that the state tax withheld is for "Colorado", the payer's state must equal "CO" for element StateAbbreviationCd within the parent element State1099GStateTaxGrp.

**COLORADO TAX TABLE ALGORITHM**

The following algorithms are used to calculate the Colorado tax on Colorado taxable income. The purpose of this algorithm is to calculate the same tax that would be derived by a paper filer using the tax table.

1. If Colorado taxable income is equal to or less than \$100, determine the tax as follows:

<b>IF TAXABLE INCOME IS:</b>	<b>THEN THE TAX IS:</b>
Equal to or less than \$10	0
Greater than \$10 but equal to or less than \$30	1
Greater than \$30 but equal to or less than \$50	2
Greater than \$50 but equal to or less than \$75	3
Greater than \$75 but equal to or less than \$100	4

2. If Colorado taxable income is greater than \$100 and equal to or less than \$50,000 and the last two digits are not equal to 00 or 50, change the last two digits of Colorado taxable income to 50. If the last two digits of Colorado taxable income are equal to 00, subtract 50 from Colorado taxable income. Multiply this "modified" Colorado taxable income amount by 4.63 percent and round the product to the nearest dollar amount.
3. If Colorado taxable income is greater than \$50,000, 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 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.

**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. 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 or show losses in other states.

**SUBMITTING ATTACHMENTS**

If a taxpayer is claiming certain credits or adjustments, the documentation per the form instructions to support the claim 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 cannot be 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 can be used, the documents should be sent by mail using form DR 1778 as a cover sheet for the necessary attachments.

Returns that claim certain credits subject to review may experience processing delays if the attachments are submitted separately from the electronic return.

## SECTION 4: TESTING

### **COLORADO SOFTWARE DEVELOPER TEST PACKAGE**

The Colorado Software Developer Test Package contains a series of 10 tests adapted from the test set created by the NACTP. These scenarios may be modified slightly for Colorado purposes. The Colorado test package will be available to Software Developers about October 19, 2011. Colorado testing will begin November 13, 2012, unless the Internal Revenue Service is experiencing delays and has not yet begun ATS testing.

### **PAPER TESTING AND ELECTRONIC RETURN TESTING**

The data from the Colorado test package is tested in two phases. The first phase is the paper test that can begin at any time by contacting the Colorado State Acceptance Testing Coordinator listed in Section I of this handbook. The purpose of the paper test is to test the software's ability to correctly print the appropriate Colorado tax data in a graphical or textual format similar in appearance to the official Colorado form. These forms must be provided to the individual taxpayers for their records per Part III of form DR 8453. The paper forms are mailed or faxed to the test coordinator for acceptance or rejection.

The second phase of testing is the electronic return test that can be concurrent with IRS testing under the IRS's rules for concurrent testing or subsequent to IRS testing. In either case, the Software Developer should notify the Colorado test coordinator by email when transmitting any test data and include the state submission IDs of the tests. The tests will be reviewed to ensure that the proper data is included for a return to process correctly. In addition, the ability to include PDF attachments with the e-filed return will be assessed.



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**COLORADO DEPARTMENT OF REVENUE                      SECTION 5**  
**ELECTRONIC FILING**  
**SOFTWARE DEVELOPER'S HANDBOOK FOR CALENDAR YEAR 2011**

## SECTION 5: WHAT'S NEW FOR CALENDAR YEAR 2013

### FORM/SCHEMA CHANGES

The Form 104 abroad checkbox for taxpayers who are abroad at the due date is now separate from the residency checkboxes for full-year or part-year/non-resident taxpayers. The Form 104 other subtractions checkboxes have been changed to amount lines on Form 104. Date of birth should be included for the taxpayer and spouse(for joint returns) in ReturnHeaderState/Filer.

The Form 104PN schema has added checkboxes for the federal form type.

Some Form 104CR elements for information related to certain other personal credits have been removed from the schema.

Form 104AMT is now included in efile.

Common Form DR 1305 has changes to the elements for transfer credits on line 9.

A new Form DR 1366 will be published soon. The form is required for Tax Year 2012 for taxpayers that have carryforward enterprise zone credits claimed for 2012. This new form is not yet finalized, so the schema is not available to include in the COCommon folder.

## APPENDIX

Acknowledgment Error Codes

Form DR 8453/Instructions – e-filer Signature Form  
(rev 08-10-12)

Form DR 0900 – Individual Income Tax Payment Voucher  
(rev 11-08-11)

Form DR 1778 – e-filer Attachment Form  
(rev 11-08-11)

Software Developer Questionnaire

## Acknowledgment Error Codes

Colorado error codes and alerts will be published on the software developer page by Sept. 27<sup>th</sup>.



# State of Colorado Individual Income Tax Declaration for Electronic Filing

**Do not mail this form to the IRS or the Colorado Department of Revenue  
 Retain with your records**

			Submission ID
Taxpayer Last Name	First Name	M.I.	Social Security Number
Spouse, If Joint Return, Last Name	First Name	M.I.	Social Security Number
Address			Telephone Number (    )
City	State		ZIP

### Part I—Tax Return Information

1. Total Income, line 22 from your federal form 1040, line 15 on form 1040A, or line 4 on form 1040EZ..	<b>1</b>
2. Taxable Income, line 43 on federal form 1040, line 27 on form 1040A, line 6 on form 1040EZ...	<b>2</b>
3. Colorado Tax, line 19 on Colorado form 104.....	<b>3</b>
4. Colorado Tax Withheld, line 25 on Colorado form 104.....	<b>4</b>
5. Refund, line 48 Colorado form 104 .....	<b>5</b>
6. Amount You Owe, line 53 on Colorado form 104 .....	<b>6</b>

### Part II—Declaration of Taxpayer

Under penalties of perjury, I declare that the information I have provided for electronic filing and the amounts shown in Part I above agree with the amounts shown on my 2012 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.

Your Signature	Date	Spouse's Signature, if joint return both MUST sign	Date
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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 2012 Federal/Colorado income tax returns. If I am the preparer, under penalties of perjury I declare that I have reviewed the above taxpayer's 2012 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 8453) 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	Your Social Security Number or Preparer Identification Number
Check if also preparer <input type="checkbox"/>	Date

# Instructions

## Line Instructions

### Submission ID

The 20-digit number is assigned by the preparation software to each taxpayer's return at time of submission to the IRS. This number should be entered in the space provided.

### Name, Address, and Social Security Number

Print or type this information in the space provided exactly as it appears from Colorado Form 104.

## Part I - Tax Return Information

Line 1—Report the total income from federal Form 1040, line 22, Form 1040A, line 15 or Form 1040EZ, line 4.

Line 2—Report the amount of taxable income reported on Form 1040, line 43, 1040A, line 27 or 1040EZ line 6.

Line 3—Report the amount of tax reported on Colorado Form 104, line 19.

Line 4—Report the amount indicated as Colorado withholding tax from Colorado Form 104 line 25.

Line 5—Report the amount reported as a refund on Colorado Form 104 line 48.

Line 6—Report the amount reported as the amount you owe from Colorado Form 104 line 53.

## 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 8453 at the time of filing. If the tax return is a joint return, the spouse is also required to sign and date the DR 8453 at the time of filing. An electronically transmitted income tax return will not be considered complete and/or filed until the DR 8453 has been signed/dated by all appropriate taxpayers.

### 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 8453 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 state of limitations plus one year, or four years from the due date of the Colorado return. For exceptions to this general rule, see Colorado publication FYI General 15 or 39-22-608, Colorado Revised Statutes.

### DR 8453 on Demand by Colorado DOR

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

For help, call the Department of Revenue's Federal/State electronic filing help desk: 303-866-3889 or visit e-File Options Web page at [www.coloradoefile.state.co.us](http://www.coloradoefile.state.co.us)

# 2011 INDIVIDUAL INCOME TAX PAYMENT VOUCHER

## Instructions

### Use the DR 0900 below to submit your payment if you:

- File using Revenue Online or other electronic method and do not want to pay online; or
  - Are sending your payment separate from your return.
- Be sure to round your payment to the nearest dollar. 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.

**DO NOT** send another copy of your tax return with your payment because the DR 0900 contains all the information required to match your payment with your return.

Use the coupon below only if you cannot pay online or by EFT.



Cut here and send only the coupon below. Help us save time and your tax dollars.

(0011) DR 0900 Web (11/0811)  
COLORADO DEPARTMENT OF REVENUE  
DENVER CO 80261-0008  
www.TaxColorado.com

**2011 Individual Income Tax Payment Voucher**  
(calendar year—Due April 17, 2012)

**70**

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your Social Security number and "2011 Form 104" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Your Last Name	First Name and Initial	Social Security Number
Spouse's Last Name (if joint)	Spouse's First Name and Initial	Social Security Number
Address		
City	State	ZIP

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.

(Do not write in space below)

(08)

\$

Amount of Payment

.00

## e-filer ATTACHMENT FORM

For Tax Year \_\_\_\_\_ or fiscal year beginning \_\_\_\_\_, Ending \_\_\_\_\_

<b>Tax Type:</b>	<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](http://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
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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](http://www.TaxColorado.com) or call the Department at (303) 238-7378



## Software Developer Questionnaire

Software Developer Name: - \_\_\_\_\_

Primary Contact: - \_\_\_\_\_

Primary Contact Phone #: \_\_\_\_\_

Primary Contact FAX #: \_\_\_\_\_

Primary Contact E-mail address: \_\_\_\_\_

Primary Contact Mailing Address: \_\_\_\_\_

Alternate or Other Contact Information: \_\_\_\_\_

\_\_\_\_\_

Describe briefly how your organization distributes software changes/updates to your customers.

\_\_\_\_\_

\_\_\_\_\_

How many days normally elapse from the time your organization is notified of a software problem to the time you distribute a software change or update to your customers?

\_\_\_\_\_

Do you provide some sort of software alert or other communication to inform your customers that a software change/update is available?

\_\_\_\_\_

Describe briefly any other information, advice, or suggestions you think would be helpful in optimizing a problem resolution process between your organization and the Colorado Department of Revenue.

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

**Thank you for your time, patience, and cooperation in completing this questionnaire.**