

DEPARTMENT OF REVENUE

Taxpayer Service Division – Tax Group

SALES AND USE TAX

1 CCR 201-4

Rule ~~egulation~~ 39-26-109. Sales Tax Filing Schedules

Basis and Purpose

The basis for this rule is §§ 39-21-112(1), 39-26-105 and 109, C.R.S. The purpose of this rule is to prescribe sales tax filing schedules and conditions for the modification thereof.

~~Effective January 1, 1999, all entries on the sales tax return must be rounded to the nearest dollar. Amounts less than fifty cents must be rounded down to zero cents and amounts from fifty to ninety-nine cents must be rounded to the nearest dollar. Rounding is required on the tax return only; books, records, invoices and other sales tax documents must reflect actual tax amounts.~~

~~Approval of requests for quarterly, seasonal, annual, or thirteen four week reporting periods will be granted only if, in the opinion of the executive director, approval will not jeopardize the collection of the tax. Permission to change the time or interval for filing reports and paying tax will not be granted to a vendor who is delinquent.~~

~~If any vendor has been granted permission to file reports and pay tax on other than a monthly basis and shall become delinquent, the permission may be revoked by the department at any time. Immediately following notice of such revocation, the vendor will be required to file reports and pay tax, interest and penalties on a monthly basis.~~

~~Application for permission to file reports and pay tax on a quarterly basis, if approved, shall take effect on the first day of the next calendar quarter which begins at least fifteen (15) days after the date of approval.~~

~~If the vendor has an average tax liability of fifteen dollars (\$15) or less per month, the executive director may permit reports to be filed and tax paid on an annual basis. Wholesalers shall be required to report and pay any sales taxes owed on the same basis as any other vendor, but a licensed wholesaler who makes no retail sales can submit a no-tax return on an annual basis.~~

~~Application for permission to file reports and pay tax on an annual basis, if approved, shall take effect on January first of the next calendar year beginning at least fifteen (15) days after the date of approval. Following the approval by the executive director to file on a quarterly or annual basis, the filing of the reports and payment of the tax shall be due on the twentieth day of the month following the end of the approved reporting period.~~

~~If the vendor is engaged in a seasonal business not operated at all in the state during certain months of the year, he may apply on the prescribed application form for permission to file the reports and remit the tax only for the months of the year in which the business is operated. The applicant shall state the months during which he expects to operate the business in the state, the place or places where the business will be operated, and must notify the department of any changes thereof.~~

- (1) **General Rule.** Retailers shall file returns and remit tax to the Department in accordance with the filing schedules and due dates prescribed by this rule.

(2) **Standard Filing Schedules.**

- (a) A retailer must file returns and remit sales tax on a monthly basis unless the Department has granted the retailer approval to file returns and remit sales tax on a less frequent basis. Unless permission is denied or revoked pursuant to paragraph (3) or (4) of this rule, the Department shall permit the retailer to file returns and remit sales tax on a basis less frequent than monthly if the retailer's average monthly Colorado sales tax collection is less than three hundred dollars.
- (b) On the application for a sales tax license, a retailer must indicate the amount of its estimated monthly sales tax collection. The retailer's required filing frequency shall be determined initially on the basis of this estimate.
 - (I) If the retailer's estimated monthly sales tax collection is three hundred dollars or more, the retailer shall file returns and remit tax on a monthly basis.
 - (II) If the retailer's estimated monthly tax collection is less than three hundred dollars, the retailer shall file returns and remit tax on a quarterly basis or as provided in paragraph (3) of this rule.

(3) **Alternate Filing Schedules.** A retailer may request a filing schedule other than monthly or quarterly as provided in this paragraph (3). The Department shall grant approval for an alternate filing schedule only if such alternate schedule will not jeopardize the collection of tax. The Department shall notify a retailer of the approval or denial of any request for an alternate filing schedule submitted pursuant to this rule.

- (a) If a retailer's average or estimated monthly sales tax collection is \$15 or less and filing sales tax returns on a monthly or quarterly basis would impose unnecessary hardship, the retailer may request permission to file returns and remit tax on an annual basis. The retailer may make such request by checking the appropriate box of the retailer's initial sales tax application or by submitting such request to the Department in writing.
- (b) If a retailer is engaged in a seasonal business (a business that the retailer does not operate in Colorado during certain months of the year), the retailer may request permission to file returns and remit tax only for the months of the year that the business operates. The request shall indicate the months the retailer expects to operate the business in Colorado. The retailer may make such request by checking the appropriate boxes of the retailer's initial sales tax application or by submitting such request to the Department in writing. The retailer must immediately notify the Department if the retailer operates its business in any month for which the retailer's request indicated the retailer would not operate the business.
- (c) If a retailer regularly employs accounting methods involving reporting periods other than calendar months (such as thirteen four-week periods over the course of the year), the retailer may request permission to file returns and remit tax on a filing schedule consistent with such accounting methods. Any retailer requesting such permission must make such request to the Department in writing.

(4) **Changes to Filing Schedules.**

- (a) For any retailer for which the Department has not approved an alternate filing schedule pursuant to paragraphs (2)(b) or (2)(c) of this rule, the Department shall, on an annual basis, calculate the retailer's average monthly sales tax collection and adjust the retailer's filing schedule to increase the frequency of filing as necessary pursuant to this paragraph (4)(a). Such adjustments shall be made effective January 1. The Department

shall not make any automatic adjustment to a retailer's filing schedule to decrease the frequency of filing, but a retailer may, pursuant to paragraph (3)(b) of this rule, request a change to their filing schedule.

- (I) If a retailer's average monthly sales tax collection is three hundred dollars or more, the Department shall require the retailer to file returns and remit tax on a monthly basis.
 - (II) If a retailer's average monthly sales tax collection is less than three hundred dollars, but more than fifteen dollars, the Department shall require the retailer to file returns and remit tax on a quarterly basis.
- (b) A retailer may submit a written request to the Department to change the retailer's filing schedule. The Department shall not approve any requested filing schedule that would jeopardize the collection of tax or any request made by a retailer that is delinquent in the filing of any required sales tax return or the remittance of any sales tax.
- (I) The Department shall not approve a retailer's request for a quarterly filing schedule if the retailer's average monthly sales tax collection exceeds three hundred dollars.
 - (II) The Department shall not approve a retailer's request for an annual filing schedule if the retailer's average monthly sales tax collection exceeds fifteen dollars.
- (c) If a retailer becomes delinquent in the filing of any required sales tax returns or the remittance of any sales tax, the Department may revoke any prior approval of a quarterly or alternate filing schedule. Upon such revocation the retailer will be required to file returns and remit tax on a monthly basis.
- (d) The Department shall notify a retailer, in writing, of any change made in accordance with this paragraph (4) to the retailer's filing schedule along with the effective date of any such change.
- (5) **Due Dates.** Sales tax returns and payments of tax reported thereon are due the twentieth day following the close of the tax period. If the twentieth day following the close of the tax period falls on a Saturday, Sunday, or legal holiday, the due date shall be the next business day.
- (6) **Wholesalers.** Wholesalers that make no retail sales must file returns on an annual basis to report their gross sales and allowable subtractions therefrom. A wholesaler that makes retail sales in addition to wholesale sales is subject to the requirements of this rule and must file returns and remit tax monthly or quarterly, as applicable, unless the wholesaler has received permission to file less frequently.

Cross references

1. See § 39-21-120(3), C.R.S. for due dates that fall on Saturdays, Sundays, or legal holidays.
2. Colorado Sales Tax Withholding Account Application (CR 0100AP)