Colorado Department of Revenue Electronic Funds Transferred (EFT) Program For Tax Payments

The Colorado Department of Revenue requires all organizations filing fuel, cigarette or tobacco taxes, retail marijuana sales and excise taxes, withholding of income from an oil and gas interest, employers with annual wage withholding liabilities greater than $50,000.00, and businesses with annual state sales tax liabilities greater than $75,000.00 to pay through Electronic Funds Transfer (EFT). Other individuals and organizations may also choose to pay electronically. Electronic payments offer you a number of benefits:

- The cost and time to write checks is eliminated.
- You know exactly when your account will be debited.
- You are assured that the funds are received on time, every time.
- You may also register to pay other taxes electronically. For all taxes except wage withholding, estimated income, income, income extensions, estimated severance and PUC fixed utility fees you will still **need to file a tax return**.
- You **must** file a complete sales and use tax return at the same time you make a sales/use tax payment.

Electronic Payment Options

Colorado's Electronic Funds Transfer program offers two methods of electronic payment:

- Automated Clearing House Debit (ACH debit), Web payment and telephone options.
- Automated Clearing House Credit (ACH credit).

Automated Clearing House Debit

To remit taxes via ACH debit e-check, access our Web site or place a call to a toll-free number. Both processes will prompt you to enter seven pieces of information: your EFT identification number, your PIN (Personal Identification Number), tax type code, filing period ending date, dollar amount owed, the settlement/effective date, and your phone number. The systems, in return, provide a reference number as proof of payment. The funds are withdrawn from your account as soon as the following day. We offer payment warehousing which provides the opportunity to designate a payment date up to 365 days in the future, allowing you to place your payment in advance of the due date and have your funds withdrawn on the specified date. The Department of Revenue pays for the transaction.

Our Web feature allows you to make tax payments, access your phone and Web payment history, change your PIN, and add or change banking information online through a secured Web site. Please visit our Web site at *www.colorado.gov/revenueonline/*

Automated Clearing House Credit

To initiate an ACH credit, instruct your financial institution to transfer funds from your account to the Department of Revenue's depository account.

ACH Credits for Paying Taxes

The ACH credit must be formatted utilizing the tax payment (TXP) within the addenda record of a CCD+ application. The ACH credit must be initiated on, or before, the due date; the funds are transferred to be received the next day by the Department of Revenue. The TXP addenda convention has been provided in this guide. Your financial institution may charge you for the transaction. Since some financial institutions can not originate ACH transactions, please contact them for more information.

ACH Credits for Paying Third Party Payments (TPP)

The Third-Party Tax Payments (TPP) are those payments made by a third-party to a federal or state taxing agency on behalf of a taxpayer. Examples of third-party payments are 1) payments from employers or financial institutions in response to tax agency levies to garnish employee wages or accounts for tax liability and 2) employee tax withholdings remitted by payroll service providers on behalf of employers. You will be able to work with your bank to send any transactions through them using the proper format.

How To Enroll

To participate in the EFT program (for ACH Debit and ACH Credit for Tax Payments), you must complete an "Authorization for Electronic Funds Transfer (EFT) for Tax Payments" Form (DR 5785). The form may be completed on the Web by email or a paper document can be submitted.

Advantages of enrolling via the Web include:

- It only takes the system a few minutes to process your application. It will provide a message that will include your EFT number(s).
- If your are registering for ACH Debit, an e-mail containing your Personal Identification Number (PIN) will be sent to you same day. You will be able to enter your banking information online and make a payment the following business day.
- If you are registering for ACH Credit, you will be provided with a letter online that contains State of Colorado Department of Revenue bank information and file layout for ACH Credit. You will be able to work with your bank to send any transactions through them using the proper format.

When completing the Authorization Agreement, indicate the appropriate tax type code(s) for your tax(es). **Please note that registration in the program via the EFT authorization form is critical for:**

- Verification of the account numbers and tax liabilities listed on your authorization form.
- Assignment of a unique EFT identification number. This is necessary for the Department of Revenue to properly credit your tax account.

For paper applications, once processed, a letter will be sent providing instructions on how to make a payment. You should receive your EFT number(s) and PIN(s) within three weeks. Incomplete or illegible Authorization Agreements may be delayed or denied without notice.

If submitted by paper please mail or fax the completed form to:

Colorado Department of Revenue   Fax Number: 303-205-5779
Pierce Cashiers Room 132   Email to: dor_afs_piercecashiers@state.co.us
P.O. Box 173350
Denver, CO 80217-3350

Further Information

If you have any questions or would like further information, please call the Colorado Department of Revenue's EFT help line at (303) 205-8333. We are open Monday through Friday, 8:00 A.M. – 4:30 P.M. excluding state holidays.

Note: See tax types available on the Department of Revenue DR 5785.

ACH Debit Transaction

General Instructions

Submit your tax payment **before 4:00 P.M. Mountain Time** for credit to your account on that date. The payment Web site and phone system are available 24 hours a day, 7 days a week.

Before logging on to the Web page or calling:

- Prepare your tax information.
- Know your EFT ID Number, PIN (4 to 16 digits), tax type code, banking information, payment amount, filing period ending date, phone number or email address, and the date you want the payment deducted from your bank account.
- For other questions refer to the *"Frequently Asked Questions"* on the Electronic Payment Web page or call the EFT Help line at (303) 205-8333.
- Before ending the call or logging out be prepared to write down the 15-digit confirmation number (COLTAX#########) or print the confirmation # page.

Log On To:

www.colorado.gov/revenueonline/ and select make a payment, then the EFT Payment option to access the Web payment system.

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OR

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CALL 1-877-265-6338 (1-877-COLOEFT) to access the telephone payment system.
This is an automated system that uses your telephone's key pad for interaction with you.

To Make a Payment

1. The system will prompt you to enter (or accept, if you only have one type on file with us) your tax type code.

2. The system will prompt you for your banking information. You can use the account that was used on previous payments or enter new bank account information. For a new account, you will need to enter your bank's nine digit routing/transit number that can be found in the lower left hand corner of your check, your account number, indicate if it is a checking or savings account, and if it is a consumer (refers to personal account) or business account.

3. The system will prompt you to enter the amount you wish to pay in dollars and cents. You must enter cents (.00) even if you are paying a whole dollar amount.

4. The system will prompt you to enter the filing period end date in '**YYMMDD'** format. **NOTE:** This is **NOT** the payment due date, except for Agreements to Pay.

5. The system will prompt you to enter the phone number or email address of the person making the transaction.

6. The system will inform you of the first day this payment will be deducted from your bank account. The system will ask if you wish to use this, or a future date.

7. The system will confirm the payment amount, the bank account that will be debited, and the payment date.

8. The system will then give you a confirmation number for your records.

Required Tax Payment (TXP) Addenda Convention, For ACH Credits

The following convention contains the format, data content, and implementation requirements for organizations to initiate an ACH credit tax payment. This record format is to be used with the National Automated Clearing House Association's (NACHA) CCD+ application. The format is used in the free form field of the CCD+ addenda record. Not all financial institutions will process ACH credits. Contact your financial institution for information.

TXP Addenda Layout For The Electronic Payment of Colorado Taxes

Field Number	Field Name (Data Elements & Separators)	Data Element Type	Min/Max Characters	Contents
	Segment Identifier		3	TXP
	Separator		1	*
TXP01	Taxpayer Identification (EFT Number)	AN	1/15	_ _ _ _ _ _ _ _ _
	Separator		1	*
TXP02	Tax Type Code	ID	1/5	XXXXX
	Separator		1	*
TXP03	Tax Period End Date	DT	6/6	YYMMDD
	Separator		1	*
TXP04	Amount Type (Tax)	ID	1/1	"T"
	Separator		1	*
TXP05	Amount	N2	1/10	$$$$$$$¢¢
If paying penalty and interest include TXP06 through TXP09. (Only required if tax does not require filing a form.)				
	Separator			*
TXP06	Amount Type (Penalty)	ID	1/1	"P"
	Separator			*
TXP07	Amount	N2	1/10	$$$$$$$¢¢
	Separator			*
TXP08	Amount Type (Interest)	ID	1/1	"I"
	Separator			*
TXP09	Amount	N2	1/10	$$$$$$$¢¢
	Terminator		1	\

See sample on page 4.

***** Sample ACH Credit Addenda *****

Taxpayer EFT Number:	3710123456 (Sample EFT # only.)
Tax Type:	Wage Withholding (code 011)
For The Period Ending:	December 31, 2014
Amount Owed:	$101,999.97

The Information Listed Above is Formatted as Follows:
TXP*3710123456*011*141231*T*10199997
Required Third Party Payment (TPP) Addenda Convention, For ACH Credits

NACHA Convention Specifications

The convention specifications and implementation considerations are specified as follows.

NACHA Record Formats

NACHA record formats for CCD+ entries flow in the following order:

    File Header Record

        Company/Batch Header Record

        Entry Detail Record

            Addenda Record (Carries an 80 character Free Form Field)

        Company/Batch Control Record

    File Control Record

The Department of Revenue can provide additional information explaining and specifying how fields are to be utilized in conjunction with the TXP convention. For more specific information on NACHA formats, specifications and definitions, refer to the ACH Rules available from NACHA.