



FYI Sales 58

Requirements for Sales Tax Remittance for Multiple Location Filers

WHAT IS A MULTIPLE LOCATION FILER

A multiple location/jurisdiction filer is any entity filing sales or use taxes with the Colorado Department of Revenue with more than a single location, either physical or nonphysical.

WHAT IS REQUIRED OF MULTIPLE LOCATION FILERS

If your business will be selling, renting or leasing tangible personal property, **you must get a sales tax license for each physical location.** To apply for a license, complete and mail in the Sales Tax/Withholding Account Application (CR 0100). You will receive your license and account number by mail. Allow four to six weeks for processing. If you have an existing account number with the Colorado Department of Revenue, please include this number on the application.

FILING METHODS

The Department of Revenue's tax system for sales, use and wage withholding taxes only accepts the following filing methods for multiple location filers.

XML - XML is the Department of Revenue e-file format which is in XML (Extensible Markup Language). XML is similar to the Streamlined Sales Tax forms used by other states. Your sales tax data in this format must be tested and approved by the department prior to using it. If you are using a department approved software, your XML file does not have to be tested and approved.

Excel Spreadsheet - the department will allow sales tax returns to be filed electronically using an approved Excel spreadsheet. This service is available as part of Revenue Online. A sample spreadsheet must be reviewed and approved by the department before a business can file using Excel.

Software Company - use a software/vendor that is approved through the department for XML.

Multiple Single/File – Complete an online form through Revenue Online through single file.

By paper - A separate DR 0100 paper return must be submitted for each branch (physical or non-physical) business location. Each DR 0100 return must report all applicable taxes for that location, including state and special district taxes. If you have five site (branch) locations, you will file five DR 0100 returns.

For more information on each filing method, please visit www.TaxColorado.com and click Sales Tax.

Payment Methods – Businesses may continue to make a single payment to remit the tax for all locations. Use Revenue Online to make one payment by eCheck, credit card, or Electronic Funds Transfer (EFT). Payment by EFT is free. There is a nominal charge for the payment by eCheck or credit card. You may add an EFT to your account on Revenue Online but preregistration is required.

Amending XML, Excel Spreadsheets and Single File on Revenue Online

To amend your XML filing you must include the Amended Indicator in the header of your XML file. You will want to check with your software company for details on the Amended Indicator. You can amend electronically from the September 2010 period forward. For Excel Spreadsheet filers, you will add a capital X in column O Row 3 in the Header.

You can amend individual sites (branches) through single file on Revenue Online. Amending by Single File will cause the original return to be rounded. You can not add a new site (branch) to a return through Single File under Amend a Return; you can only amend branches that were in the original filing. If you need to add a site (branch) you did not

include in the original filing, you will choose File Another Site (Branch). You can add additional site (branches) upon amending when you file by XML or Excel spreadsheet.

You can either amend the entire return or only the sites (branches) that you are changing when filing by XML or Excel Spreadsheet. You must address all sites (branches) in the original filing. Any sites left out of the amendment will remain the same as they were originally filed.

Example: You filed site 0001 tax due 100.00, site 0002 tax due 200.00 & site 0003 tax due 250.00 on the original filing of the return for a Total Due of 550.00. You amend site 0001 to 250.00 tax due and site 0002 to 300.00 tax due. You do not amend site 0003, which should have been a zero. Since site 0003 was not amended, the original amount filed for site 0003 of 250.00 remains. Now the total tax due is 800.00 instead of 550.00.

To file paper amended returns. Mark the amended box on every DR 0100 in the amendment. Make sure every DR 0100 has a site (branch) number. Only include in the amendment the sites (branches) that are changing. If applicable, be sure to use the correct tax and vendor fee rates for the period(s) you are amending. Prepare each amended DR 0100 for processing by cutting and detaching the DR 0100 bottom coupon from the top portion of the form (see the scissor line on the form).

A DR 0137 is required if you have submitted an amended return electronically or by paper and you anticipate a credit resulting in a refund. Notify the department by completing and submitting a Claim for Refund (DR 0137). Documentation must be included as to why the tax was miscalculated and the reason for the refund request.

LOCATION MAINTENANCE

Opening Locations

New physical locations require a CR 0100 be submitted to the department along with any fees. Example: if the tax will be collected during July, complete and submit the CR 0100 form for the new location before July 1.

New nonphysical locations can be added by sending an email to the department. A “nonphysical” location/site should be added to the sales tax account when a business makes sales in a Colorado tax jurisdiction but the business does not have a physical presence in the jurisdiction. It is important to apply for the location/site prior to filing the return. It is possible to add a nonphysical site up until the day before the due date. However, to ensure the site (branch) is set up in time for the due date, businesses are advised to make the request as soon as possible. The email box address to set up new NONPHYSICAL branches/sites is dor_multilocations@state.co.us For each site (branch), include city name, county ,location/jurisdiction code, and zip code. For additional information on location jurisdiction codes see publication DR 0800.

Closing Locations

To close an account, submit the Address Change or Business Closure Form (DR 1102) to the Colorado Department of Revenue. You may also email dor_multilocations@state.co.us with the specific closure request. Please indicate the end of the period the branch should be closed.

Location Verification

Confirm location/branch numbers through the Revenue Online at www.Colorado.gov/RevenueOnline

- Choose “View Business Location Rates”.

INTERNET AND MAIL ORDER SALES

Those companies that have both a location in Colorado and have delivery (mail order/Internet) sales originating from outside of Colorado will obtain a sales tax account and licenses for the stores in Colorado and will also obtain a retailer’s use account. Both accounts will have the same 8-digit account number.

When the company has a delivery sale to a customer in a jurisdiction where they also have a store, the sale shall be reported on the tax return for that site/store. The jurisdiction for the store includes deliveries made anywhere in the city, county, or special district associated with the store. If the customer and the store do not share all the state collected taxes, line 3a of the sales tax return for sales out of the taxing area should be completed for the local taxes that do not apply. (For Example: A store is located in Wellington in Larimer County and an internet sale is made to an address in Loveland. The Internet sale will be subject to the state and Larimer County sales tax, but not any city tax. The sale will be reported on the DR 0100 for the Wellington location, but the city column will show the sale as out of the taxing area and no city tax will be collected or remitted.)

When the company has sales into jurisdictions where they do NOT have a store, those sales shall be reported on the retailer's use account and include any special district taxes. (For Example: Stores are located in Denver and Colorado Springs and an internet sale is made in Aspen, the state and Roaring Fork RTA taxes will be collected and paid on the retailer's use return.)

If a company has more than one store in the same jurisdiction the company should report the sale on the store that has the most taxes in common (state, county, special district) with the customer. If there is no store that has more taxes in common, then the company has the discretion as to which site/store to report the sale.

Those companies that opt to collect all the local sales taxes even when they do not have a store in those jurisdictions are encouraged to do so. A site should be established for each location.

A company based in Colorado should report the delivery sales on the site/store that the item will be shipped from and should exclude any sales out of the taxing area on line 3a of the sales tax return.

FILING TIPS

Gross Sales

Always start with line 1, Gross Sales and Services for each branch/site and only include the sales for that branch/site on line 1. Do not include the gross sales from all the branch/sites combined on every branch. Filing in this manner can result in recalculations by the department resulting in billings.

Line 10 Should Not Be Used to File Consumer Use Tax

Line 10 of the Sales Tax Return (DR 0100) is used for tax on goods removed from inventory for personal or business use. Line 10 should not be used to file consumer use tax; doing so will result in all taxes reported on the DR 0100 being calculated. Instead, businesses should report consumer use tax on the Consumer Use Tax Return (DR 0252) and the RTA Consumer Use Tax Return (DR 0251) for the RTA.

Reporting Deductions and Exemptions Correctly

Starting with the January 2012 Colorado sales tax return, the Department of Revenue will check all the information you report on lines 1 through 4 on paper returns to make sure you are accurately completing the form. The information is important to ensure proper allocation and distribution of monies to local governments and special districts. If the amount of Gross Sales and Services on line 1 is more than the amount of Net Taxable Sales on line 4, the lines and columns on your paper return must indicate the deductions or exemptions. For more information on correctly completing a paper return please refer to the DR 0100 instructions.

Be sure to verify if the jurisdiction allows the exemption or deduction. Just because the state allows the exemption or deduction does not mean the jurisdiction allows it.

Do not use negative figures on returns.

A credit can only be used up to the amount of tax. If the entire credit can't be used in a period, it can be carried forward.

Do not round when filing by XML or Excel Spreadsheet.

How to Avoid Owing Additional Tax

We have a free filing service called **Revenue Online** that walks you through filing your sales tax return more accurately and will prevent these omissions and math errors. Go to www.Colorado.gov/RevenueOnline to sign up for account access and file returns. You can also use private software to e-file your sales tax return more accurately.

Fill Out Returns Online for Each of Your Locations

If your business has more than one location (site), you may file returns for each location through Revenue Online rather than filing a paper return for each. On the left side of the Tax Account page which lists the periods for that tax, click on the link **File Another Site (Branch)**. You will see a list of Periods. Select the period you want to file. Then the online sales tax return will open. Click on **Step 1. Enter Site (Branch) Sales Information**. Then in the Site (Branch) ID field, type your 12-digit tax account number. Note that your Colorado tax account branch number was an 11-digit number. That number is now 12 digits with a zero (0) at the beginning of the number. Example: 01234567-0001. Complete the information for each of your branches.

Baseball or Football District Lease Payments

For more information on leases with Baseball or Football Tax, please see the DR 0200, Baseball/Football District Tax Return – Supplement available on the Taxation Web site.

Correctly Making an EFT Payment on Revenue Online

You can add an EFT number to your account on Revenue Online. Once you are signed into your account, under Payment Options choose Add/Change EFT. Here you can add an EFT number or change your existing EFT number. You may also add the codes for the different taxes paid through EFT. Make sure when you make an EFT payment that you are using the correct tax type code (e.g. 042 Sales Tax, 044 Retailers Use and 045 Consumer Use). For a complete listing of EFT codes refer to form DR 5785 on the Web site at www.TaxColorado.com. Each tax type must be paid separately. If you are filing for multiple accounts, make sure you are using the correct EFT number for the account. You can check your EFT number on Revenue Online once you login to your account, under Payment Options and choose View EFT Summary. There should be one EFT number for a Colorado account number. You can pay all tax types associated with the account with the same EFT number only if you are utilizing the different tax type codes. If there is more than EFT number on the same Colorado account number, be sure and use the correct one associated with the tax type you are paying. If you have multiple accounts under the same FEIN, each account will have a different EFT number. Failure to make the payment using the correct EFT number to match the tax type you are paying will result in errors on your account. You can also add an EFT number to your account by using form DR 5785. When filing a paper DR 5785 allow up to 3 weeks to receive your EFT number.

Questions on how to develop and test the XML e-file format or Excel Spreadsheet can be directed to: Sales Tax Accounting Services, Multiple Location Filer Unit, dor_locationfilers@state.co.us

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.