

# INSTRUCTIONS FOR THE COLORADO SALES TAX WITHHOLDING ACCOUNT APPLICATION • Form CR 0100

## GENERAL INFORMATION

The CR 0100 is used to open a sales tax, retailer's use, W-2 withholding, 1099 withholding or an oil/gas withholding account or to add an additional location to an existing account. Please complete all areas of the sections indicated below for the account type(s) you need. Colorado Department of Revenue (DOR) forms and publications referenced in this document are available on the DOR Taxation Web site at [www.TaxColorado.com](http://www.TaxColorado.com) (If you obtain this form from our Web site, the department will need two copies of the completed form).

- To apply for a state sales tax license, complete sections A,B,C,E and F.
- To apply for a withholding account complete sections A, B, D, and F. Complete both sections if you require both licenses.
- To electronically open an account, go to *Colorado Business Express*, [www.Colorado.gov/cbe](http://www.Colorado.gov/cbe).

Refer to the following definitions.

- **W-2 Withholding.** Employers are required to withhold state income tax from all employees in Colorado.
- **1099 Withholding.** Payers who withhold tax on Colorado income reported on 1099 forms. (example: contract labor)
- **Oil and Gas Withholding.** Every producer of crude oil, natural gas, or oil shale shall withhold one percent from the amount owed to any person owning a working interest, a royalty interest, a production payment or any interest in carbon dioxide or oil and gas production in Colorado. No withholding is required from payments made to Colorado or the U.S. Government (see Department of Revenue publication FYI Withholding 4).
- **Trade Names** are registered with the Colorado Secretary of State. A trade name is not required to obtain a tax account.
- **State Sales Tax License.** A state sales tax license is required of ALL businesses that sell tangible personal property in Colorado, regardless of whether the sale is retail or wholesale.
- **State and Local Sales.** Colorado has a 2.9 percent sales tax. Additionally, many cities and counties impose their own local sales tax on purchases and transactions within their boundaries.

For a complete listing of all applicable tax rates and exemption information, please see "Colorado Sales/Use Tax Rates" (DR 1002) on our Web site at [www.TaxColorado.com](http://www.TaxColorado.com) The DR 1002 is revised in January and July each year.

You may also visit [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) to find tax rates by city, county and business account number through Revenue Online, Business.

Due to the complexities surrounding the laws on the collection and remittance of sales/use taxes in Colorado, it is advised that you attend a live class offered or take an online tax class offered by the department after opening your business and/or obtaining a sales tax license. Visit [www.TaxSeminars.state.co.us](http://www.TaxSeminars.state.co.us) for class schedule and registration.

## SECTION A

### Box 1. Reasons for filing this application.

- **Original Application.** A new (start-up) business.
- **Change of ownership.** An existing business that changes its legal structure. Does not include changes of stockholders of corporations and members in limited liability companies.
- **Additional Location.** The business already has a Colorado account number but is adding a new business location.
- **Do you have a Department of Revenue Account Number?** If your business or organization currently has a Department of Revenue account number, enter it here. A sales tax deposit is

required on a business's first retail sales tax location only as long as each additional location uses the same account number.

**Box 2. Type of Organization.** Check the box that indicates the legal structure for your business/organization.

**NOTE:** Married couples must register as a general partnership if both spouses are owners of the business.

## SECTION B

**Line 1a. Taxpayer Name.** The name should be typed/printed as follows:

- **Individual (sole proprietorship).** Last name, first name, and middle name or initial.
- **General Partnership, Association or Joint Venture.** The last name, first name, and middle initial of two principal partners. If there are additional partners, attach a separate sheet.
- **Corporation, Limited Partnership, Limited Liability Company (LLC), Limited Liability Partnership (LLP), or Limited Liability Limited Partnership (LLLP).** The legal name of the business must be the same as filed with the Colorado Secretary of State.
- **Government.** Enter the legal name of the government agency.
- **Non-Profit.** Enter the name of the non-profit organization.

**Line 1b. Proof of Identification/Taxpayer ID Requirements:** All walk-in and mail-in business and individual applicants for a sales/use tax or wage withholding account with the Colorado Department of Revenue must provide valid proof of identification at the time of application. **Valid** proof includes a legible copy of a Colorado Driver's License, Colorado Identification Card, United States Passport, Resident Alien Card (indicating eligibility for employment), United States Naturalization papers, and/or Military Identification Card. If the applicant is from another state, a valid driver's license or other picture ID from that state is required. Do not enter a social security number here. Couriers must bring in a photo copy of the valid ID attached to the application.

**Line 2a. Trade Name/Doing Business As.** If the taxpayer will be doing business under any name other than the name on Line 1, the "trade name" should be typed/printed here. Trade names must be registered with the Colorado Secretary of State.

**Line 2b. Federal Employer Identification Number (FEIN).** An FEIN is required to open a new account with the Colorado Department of Revenue. FEINs are issued by the Internal Revenue Service, [www.irs.gov](http://www.irs.gov). Individuals can use their social security numbers. All other entities must have a FEIN number.

**Line 2c. Social Security Number (SSN).** Enter the Social Security number of the principle owner, partner or corporate officer.

**Line 3a. Principal Place of Business.** This is the address of the organization's/entity's principle place of business in Colorado. **DO NOT** use a post office box. If you do not have a physical location in Colorado, type/print a brief explanation (e.g., sales representative only). If the principal place of business is a rental property (example: condo, apartment, or townhouse), list the address of the rental unit. The leasing company or manager should be at the mailing address.

- If a business will be operating from variable locations, enter "Mobile."
- For sales tax purposes only, if a business will have multiple fixed locations, a separate application must be filed for each location.

**Line 3b. Enter the county in which your principal place of business is located.** If you are not sure which county, refer to the DR 1002 available on the department's Web site at [www.TaxColorado.com](http://www.TaxColorado.com) under "Forms."

**Line 3c. Enter the city in which your principal place of business is located.**

**Line 3d. Enter the telephone number for your business.**

**Line 4a. Name.** If you want mail sent to an individual or in care of (c/o), enter the name of the person here.

**Line 4b. Telephone.** Enter the telephone number for the mailing address.

**Line 4c. Mailing Address.** Enter the street address, city, state and zip code where the business or organization will receive mail from the department.

**Line 5. List Specific products and/or Services you provide and explain in detail.** Write a brief description of products, services and/or function of the business/organization. The information you provide will help us determine the appropriate North American Industry Classification System (NAICS) code for your business. It will also help us get tax information and updates to you, depending on your business type. Additional space is provided on page 2, part B. Mark the following on the form:

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Do you sell motor vehicle tires?                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is your business in a special taxing district?    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you rent out items for 30 days or less?        | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you sell alcohol?                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you rent motor vehicles for less than 45 days? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you sell prepaid wireless?                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Do you sell tobacco products?                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Lines 6a through 7f. Owner/Partner/Corp. Officer. ALL ORGANIZATIONS, INCLUDING SOLE PROPRIETORS, MUST COMPLETE THESE LINES.** Type/print the name, title, FEIN (Federal Employer Identification Number), social security number, and home address of each individual, partner, corporate officer or member. If there are more than two owners, attach a separate sheet and provide the same information for additional owners. For a partnership between corporations or limited liability companies, list each legal name, address, and FEIN separately.

**Lines 8a through 8c. Prior Taxpayer Name.** If you purchased the business, enter the information about the previous taxpayer and the date you acquired the business. Enter the prior taxpayer's Federal Employer Identification Number (FEIN).

### SECTION C—SALES TAX

**Box 1. Seasonal Businesses.** If your business sells a product only during certain months each year, mark the months of sales. You must file a separate sales tax return for each month.

#### Box 2a. Filing Frequency.

- If you are a retail business and collect an amount of \$15 or less in tax each month, you may file annually.
- If you are a retail business and collect less than \$300 in tax each month, you must file a return each quarter.
- If you collect \$300 or more in tax each month, you must file monthly.
- Businesses that pay more than \$75,000 per year in state sales tax must pay by Electronic Funds Transfer (EFT). You must complete the form "Authorization for Electronic Forms Transfer" (DR 5785). See e-Payment Options at [www.TaxColorado.com](http://www.TaxColorado.com)
- Wholesale businesses with a sales tax liability of \$180 per year or less can file annually. If sales tax liability exceeds \$180 per year, a retail sales tax license is required.

**Box 2b. First Day of Sales.** Enter the date you will begin sales.

**NOTE:** You are advised to use an earlier date so that you can use your sales tax license to purchase items tax-exempt for resale. However, sales tax returns are due effective the date that you report in this box.

#### Line 3. Type of sales that apply to your business.

- **Retail Sales.** A retailer is a business that sells products to final purchasers and is required to collect the appropriate sales taxes. A retailer may also sell wholesale, but is not required to have a separate wholesale license. RTD/CD and local taxes must also be collected, if applicable.

- **Wholesaler.** A business that sells to retail merchants, jobbers, dealers, or other wholesalers for the purpose of resale. This license cannot be used to purchase items for yourself.
- **Charitable.** If your organization has been designated as "charitable 501(c)(3)," the organization will be exempt from paying the \$50 deposit for a retail sales tax license. Your license fee is \$8. Please attach a copy of the IRS 501c3 letter.
- **Retailers-Use.** The Colorado use tax of 2.9 percent should be collected by vendors who have no business location in the state but sell products in Colorado. RTD/CD and local taxes must also be collected, if applicable.
- **Multiple Event and Single Event.** Must apply on form DR 0594. This license is required if you engage in retail sales at more than one special event during a two-year period. Businesses holding a wholesale or retail license which make sales at these events must have a separate multiple events license and complete a separate application (no additional fee for businesses that already have a sales tax license). A single event license is required if you make retail sales at a single special event. The exact date(s) and location of the event must be noted under "Event Location" when you apply for the license.

### SECTION D—WITHHOLDING

**FILING FREQUENCY.** If you will have employees, estimate how much wage withholding you expect to pay for all your employees in one year. New businesses can file quarterly or can request more frequent filing if desired. Businesses with annual wage withholding of \$50,000 or more must file and remit withholding taxes by Electronic Funds Transfer (EFT). For more information, print the publication "Electronic Funds Transfer Program for Wage Withholding" (DR 5782) from our Web site at [www.TaxColorado.com](http://www.TaxColorado.com)

### SECTION E—FEES

#### DO NOT ENTER PERIOD COVERED FROM TO

- **Sales Tax Deposit.** A deposit is required on a retail license. Charitable organizations are exempt. The deposit is refunded automatically after a business collects and remits \$50 in STATE sales taxes. If your account is closed for any reason before you have collected and paid \$50 in state sales tax, only the amount of Colorado tax you have paid will be refunded. DO NOT deduct the deposit from your sales tax return. The deposit is only required on a business's first location if each additional location uses the same account number. (See instructions for Section A, Box 1.) A \$50 deposit is not required for a retailers use account.
- **Sales Tax License.** Standard Colorado Sales Tax License is \$16 for a two-year period. The license is renewed at the beginning of each even numbered year and expires at the end of each odd-numbered year (e.g., Jan. 1, 2012 - Dec. 31, 2013). It is prorated in increments of six months if the license is purchased after June 30 of any year. See chart on back of the CR 0100 form. A \$16 license fee is not required for a retailer's use account.
- **Wholesale License** is \$16 for a two-year period. The fee is prorated in the same method as the standard Colorado sales tax license. This license is for businesses that make sales only to other licensed vendors for resale.
- **Withholding Tax** has no fee for registration.
- **Charitable License.** The fee is \$8.

### SECTION F—SIGNATURE

**A SIGNATURE MUST BE ON THIS DOCUMENT OR IT WILL NOT BE PROCESSED.**

**Please include the title of the person signing and the date signed.**

Allow four to six weeks to receive a license by mail. If you apply for a license and receive approval at one of the department's Taxpayer Service offices, you will get your account number at the office immediately.