

CHAPTER 193

TAXATION

HOUSE BILL 93-1121

BY REPRESENTATIVES Reeves, Lyle, and Piffner;
also SENATOR Trujillo.**AN ACT****CONCERNING THE ADMINISTRATION OF WITHHOLDING TAX LAWS BY THE DEPARTMENT OF REVENUE.***Be it enacted by the General Assembly of the State of Colorado:***SECTION 1.** 39-22-604 (2) (c), (4), and (7) (d), Colorado Revised Statutes, 1982 Repl. Vol., as amended, are amended to read:**39-22-604. Withholding tax - requirement to withhold - tax lien - exemption from lien.** (2) Definitions: As used in this section, unless the context otherwise requires:

(c) "~~Wages~~" ~~means any remuneration for services performed by an employee for an employer, including the cash value of all such remuneration paid in any medium or form other than cash~~ SHALL HAVE THE SAME MEANING AS IS GIVEN IN SECTION 3401 (a) OF THE INTERNAL REVENUE CODE.

(4) (a) ~~For purposes of this paragraph (a), each month shall be divided into eight periods which shall end on the third, seventh, eleventh, fifteenth, nineteenth, twenty-second, twenty-fifth, and last day, respectively, of each month. Every employer subject to the provisions of this section who, at the end of any one period, has four hundred dollars or more of unremitted withheld tax and, for the same period of time, has a liability to file a deposit or return pursuant to 26 U.S.C. Sec. 6302, as amended, or any rules or regulations promulgated thereunder shall file a return in such form as shall be determined by the department of revenue within three banking days, as defined in section 4-4-104 (1), C.R.S., following the close of such period. Such employer shall remit to the department of revenue with such return the amount~~

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

~~of such withheld tax.~~ The executive director may require any taxpayer who has an annual estimated withheld tax liability of more than fifty thousand dollars to remit withheld tax by electronic funds transfer. THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES AND REGULATIONS PRESCRIBING WITHHOLDING TAX PERIODS AND THE CORRESPONDING TAX RETURN FILING AND TAX PAYMENT DUE DATES. THE EXECUTIVE DIRECTOR SHALL CONSULT WITH THE STATE TREASURER REGARDING THE FORMULATION OF SUCH RULES AND REGULATIONS IN ORDER TO MINIMIZE THE AMOUNT OF LOST INTEREST TO THE STATE GENERAL FUND.

~~(b) Every employer subject to the provisions of this section who is not subject to the provisions of paragraph (a) of this subsection (4) or who is withholding less than four hundred dollars during a quarter shall file a quarterly return on or before the last day of the month following the close of the quarter and remit therewith to the department of revenue the amount which is required to be deducted and withheld by said employer from the wages paid to any employee during the preceding quarter. THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THIS SECTION SHALL NOT PRESCRIBE FILING OR WITHHOLDING REQUIREMENTS WHICH ARE MORE FREQUENT OR MORE STRINGENT THAN CORRESPONDING FEDERAL REQUIREMENTS.~~

(7) (d) Any employer who is in possession of property under the terms of a lease, which property is exempt from lien as provided in paragraph (c) of this subsection (7), may be required by the executive director to remit tax funds collected at more frequent intervals than ~~quarterly~~ WOULD OTHERWISE BE REQUIRED, but no more frequently than the employer's payroll period or may be required to furnish security for the proper payment of taxes whenever the collection of taxes appears to be in jeopardy.

SECTION 2. 39-22-604 (17), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended to read:

39-22-604. Withholding tax - requirement to withhold - tax lien - exemption from lien. (17) Any person making any payment of winnings which are subject to withholding for federal income tax purposes shall deduct and withhold from such payment for Colorado income tax purposes ~~twenty percent of the amount required to be withheld under the provisions of section 3402 of the internal revenue code~~ A PERCENTAGE OF SUCH WINNINGS ESTABLISHED BY RULE AND REGULATION OF THE DEPARTMENT OF REVENUE. The amount withheld shall be remitted to the department of revenue in the ~~same manner as is~~ required PURSUANT TO RULES AND REGULATIONS AUTHORIZED in subsection (4) of this section.

SECTION 3. Effective date. This act shall take effect upon passage; except that section 1 of the act shall take effect January 1, 1994.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 6, 1993