



HB19-1256
Electronic Filing of Certain Taxes

Sponsors: Representatives Gray and Snyder
Concerning Electronic Filing of Certain Taxes.

What Would This Bill Do?

HB19-1256 allows the Department of Revenue (DOR) to require business entities (NOT individual taxpayers) to both file returns and pay amounts due electronically. Implementation will be phased in at a minimum over three years.

This bill will discourage paper filing without requiring DOR to reject paper returns:

- DOR may grant a waiver from electronic filing/payment for good cause or undue hardship.
- If a business entity fails or refuses to file/pay electronically, and was not granted a waiver, there will be a penalty of \$50 or 5.00% of the tax owed, whichever is greater.

“Certain Taxes”

The title of “certain taxes” encompasses almost all taxes and related fees that are NOT a person’s individual income tax return. Examples include corporations, partnerships, sales tax, fuel tax, county lodging tax, tobacco & cigarette excise tax, marijuana tax, and severance tax.

Why is it Necessary?

HB19-1256 would cut down on processing time/cost, eliminates more human errors, is environmentally friendly by reducing paper use, and ultimately benefits businesses.

Background Information:

- In Fiscal Year 2018, 3,223,158 business entity returns were filed and processed, these include corporate, fiduciary, partnerships, and sales tax returns.
 - 85.82% of those business entities filed electronically.
 - 14.12% filed via paper, which means DOR processed 457,122 paper returns for business entities.
- Paper returns require additional data entry, manual scanning, and manual verification of taxpayer information.

Public Outreach/Education:

- DOR will engage in a concerted outreach effort to educate business entities of electronic filing and payment requirements.

If Denied:

- All taxpayers suffer due to the fact that DOR needs to split its administrative resources between two different workflow processes.
- As Colorado’s population and economy grows there is increased volume in tax filings. Mandating electronic filing helps maintain service levels without requesting additional resources to process returns.

Support: DOR

For Questions, Please Contact:

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