DR 1098 (11/17/26)
COLORADO DEPARTMENT OF REVENUE
Tax.Colorado.gov

2027 Colorado Withholding Worksheet for Employers

This worksheet prescribes the method for employers to calculate the required Colorado wage withholding for 2027. This calculation is based on an employee's withholding certificate, which is either IRS form W-4 or Colorado form DR 0004. A new employee must submit the current version of form W-4, which is available at *IRS.gov*. An employee also has the option to submit form DR 0004.

Employers must use the calculation in this worksheet according to the following rules.

1. If an employee submits a DR 0004, use the amounts on that form, including an amount of zero, as instructed in Step 2.
2. If an employee submits only a W-4 without a DR 0004, complete Step 2a based on the expected filing status from the W-4, unless they claim to be exempt.
3. If an employee submits only a W-4 and claims to be exempt, see Part 1 of the **Colorado Wage Withholding Tax Guide** for instructions. Unless the Department adjusts the exemption claim, do not complete this calculation, and use a withholding amount of zero.
4. If an employee does not submit a W-4 or DR 0004, complete Step 2a as if they submitted a W-4 with an expected filing status of "single."
5. Do not adjust Colorado withholding outside of this calculation. An employee must use form DR 0004 if they want to account for federal deductions because they may have limits and required addbacks.

A withholding certificate remains in effect until the employee submits a new certificate or the Department adjusts their withholding. An employee may submit a new certificate at any time during their employment, and a new certificate revokes and replaces any prior certificate. Therefore, a new W-4 without a new DR 0004 will revoke any prior DR 0004 or any request for additional withholding made prior to 2022.

Go to *Tax.Colorado.gov/Withholding-Tax* for additional resources including:

1. An electronic version of this worksheet, the **DR 1098 Withholding Calculator**;
2. Form DR 0004, **Colorado Employee Withholding Certificate**; and
3. The **Colorado Wage Withholding Tax Guide**

Step 1: Wages

1a	Enter the employee's total taxable wages this payroll period (including overtime pay).....	**1a**	$
1b	Enter the number of pay periods you have per year (see the Pay Period Table below).....	**1b**	
1c	Multiply line 1a by line 1b.	**1c**	$
1d	Deduction or Withholding Allowance from DR 0004 Line 2. If the employee did not submit DR 0004, or if DR 0004 Line 2 is blank, enter the appropriate amount based on the employee's expected filing status from IRS form W-4 Step 1(c): $11,000 if married filing jointly or qualifying surviving spouse; $5,500 if single or married filing separately; or $8,500 if head of household	**1d**	$
1e	Adjusted Annual Wages, subtract line 1d from line 1c. If zero or less, enter zero.....	**1e**	$

Step 2: Tentative Withholding

2	Tentative withholding from line 2d of the Withholding Calculation below	**2**	$

Step 3: Withholding Per Pay Period

3a	Tax Credit Allowance, only from 2027 DR 0004 Line 3	**3a**	$
3b	Net withholding, subtract line 3a from line 2. If zero or less, enter zero	**3b**	$
3c	Divide line 3b by line 1b.....	**3c**	$
3d	Additional Withholding from 2027 form DR 0004 Line 4 or 2022 - 2026 DR 0004 Line 3. If the employee requested additional Colorado withholding prior to 2022, continue entering that amount until they submit a new withholding certificate. Otherwise, enter zero	**3d**	$
3e	Add lines 3c and 3d. **This is the Colorado withholding amount per pay period**	**3e**	$

Pay Period Table

Semimonthly means twice a month, usually on the 15th and 30th.

Biweekly means every other week, usually on Fridays, regardless of the month.

Annually	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
1	2	4	12	24	26	52	260

Withholding Table

Choose the Tax Bracket (the row) for which Line 1e above is at least the amount in Column B but not more than the amount in Column C. From that row, use the amounts in Columns B, D, and E in the Withholding Calculation below.

A: Tax Bracket	B: Taxable Wages are at least	C: Taxable Wages are not more than	D: Lower Bracket Withholding	E: Marginal Rate
1	$0	$25,000	$0	0.037
2	$25,001	$100,000	$925	0.042
3	$100,001	$500,000	$4,075	0.044
4	$500,001	$750,000	$21,675	0.074
5	$750,001	$1,000,000	$40,175	0.079
6	$1,000,001	N/A	$59,925	0.084

Step 2: Withholding Calculation

2a Lower Bracket Withholding from Column D of the Withholding Table above ..... **2a** $ _____

2b Upper bracket taxable wages, subtract Column B of the Withholding Table from Line 1e of the worksheet above ..... **2b** $ _____

2c Upper bracket withholding, multiply line 2b by Column E of the Withholding Table ..... **2c** $ _____

2d Tentative Withholding, add lines 2a and 2c. Also enter this amount on line 2 of the worksheet above ..... **2d** $ _____

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Want to make filing and managing your state withholding taxes easier?

Revenue Online is a website where taxpayers, businesses and tax professionals can immediately and securely conduct business with the Colorado Department of Revenue on their computers, laptops, smartphones and tablets.

Revenue Online Account Access for Business includes the following services for Colorado taxes:

- Access Your Tax Account (Sign Up/Login)
- Add Access for another person in the business
- Add Third Party Access (e.g. for your CPA)
- Add Power of Attorney
- Change Mailing Address
- Upload E-Filer Attachments (income tax documents)
- File a Return (including "zero" returns)
- Amend a Return
- Request a Copy of a Return
- Balance or Refund Inquiry
- Make a Payment
- View Payments
- View Letters from the Department
- File a Protest

For Withholding Tax specifically you can:

- Submit a withholding annual reconciliation statement
- Submit W-2s (electronic files or type them in)
- Sign up as a Withholding Submitter on behalf of a business/client

How Do I Sign Up for Revenue Online?

Go to Revenue Online *Colorado.gov/RevenueOnline* to register for online access. Be sure you have information about your account in front of you, such as your Department-issued Colorado Account Number (CAN), the zip code on your account, and your most recent Colorado tax return. You must have a Colorado tax account to use Revenue Online.

Scan here, it's **that** easy!

Or visit: *Colorado.gov/RevenueOnline*–**Try it Today!**



Revenue ONLINE

Frequently Asked Questions About Colorado Withholding Tax

Question: Is there a separate Colorado form similar to the federal form W-4 for employees?

Answer: Yes, an employee may complete Colorado form DR 0004, but it is not required. If an employee completes a DR 0004, you must calculate withholding based on the amounts the employee entered. If an employee does not complete a DR 0004, you must use the appropriate amount based on the employee's IRS form W-4, as noted in the worksheet above.

Question: Should I submit a listing of individual employees with my form DR 1094, Wage Withholding Tax Return?

Answer: No. Do not submit a listing of individual employees with your DR 1094. You will submit this information on the W-2s filed with your form DR 1093, Annual Transmittal of State W-2 Forms.

Question: What determines whether a return or payment is late?

Answer: A return or payment is deemed delinquent if the postmark is after its due date. If submitted by mail, the postmark is the official postage cancellation mark that is affixed on the envelope. If submitted electronically, the postmark is generally the date the payment is requested to be made or the Department receives the return, up to 11:59 P.M. Mountain Time. However, a request for an ACH credit payment that is not on a business day or is after the originating financial institution's cut-off time is deemed made on the following business day.

Question: If I make a withholding tax payment by EFT, do I need to also file a form DR 1094, Wage Withholding Tax Return, through Revenue Online or on paper?

Answer: No. The EFT withholding payment satisfies the filing requirement. Filing a return in addition to the payment may result in an erroneous bill.

Question: How do I use Secure Messaging in my Revenue Online Account?

Answer: First, create your Login ID and Password at *Colorado.gov/RevenueOnline*. For instructions, see the "Help" link (the question mark) at the top of the Revenue Online home page.

Question: How do EFT filers pay a notice of deficiency?

Answer: Payment for a notice of deficiency for wage withholding tax, penalty, and interest can be remitted via EFT. If necessary, use the tax type code 01130.

Question: Can I opt to file my withholding taxes by EFT even if I don't collect $50,000 in withholding taxes annually?

Answer: Yes, the department encourages it. For more information, go to *Tax.Colorado.gov/Electronic-Funds-Transfer*.

Question: Are there any related forms that I must provide to my employees?

Answer: All Colorado resident employees must receive the Notice of Federal and State Refundable Tax Credits (DR 0995) along with their annual W-2 Wage and Tax Statement.

Taxpayer Service Centers

If you need assistance, information, forms, or have questions, we have 5 service center locations across the state in Colorado Springs, Denver Metro, Grand Junction, Fort Collins, and Pueblo. Addresses, directions, operating hours, and appointment scheduling are available on our webpage at *Tax.Colorado.gov/Visit-a-Service-Center*.