

Claim For Refund Instructions for Form DR 0137

****Attention****

- **Failure to complete the required form(s) and submit all supporting documentation may cause the amount of the refund to be reduced or denied.**
- **For Buyer's/Purchaser's claims, use Form DR 0137B. For Rural Broadband, use form DR 0137C.**

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Seller's/ Retailer's Over-Payment Options (Sales Tax Overpaid by a Vendor/Retailer)

There are two options available to a vendor/retailer who has overpaid sales tax. To determine the appropriate method, read "Method One" and "Method Two".

Method One: (No credit exists on account)

If you overpaid sales tax on a previous retail sales tax return, you may deduct the overpayment amount on the DR 0100 form, line 3C only if there is not an existing credit on the account due to the overpayment. The calculation to figure the dollar amount of sales on line 3C would be to divide the tax overpayment by the same tax rate you used to calculate the tax due on the original return. The calculation must be done for each applicable tax for the site. Do not reduce the tax liability below zero. If there is a credit on a previous period or a question as to the calculation of the overpayment of tax, a Claim for Refund (DR 0137) should be filed with an amended return for the applicable period(s) and site(s). You may view your account at www.Colorado.gov/RevenueOnline

Method Two: Seller's Claim for Refund (Credit exists on account or amended returns are filed creating a credit). This credit is not applied to subsequent filing periods. Future filings should be filed and paid on time.

A seller's claim for refund is submitted when a vendor paid retail sales tax, retailer's use tax, to the Colorado Department of Revenue with a retail sales tax return (DR 0100) or retailer's use tax return (DR 0173) in error.

See "Sellers/Retailers Claim for Refunds" for information on filing your claim.

INSTRUCTIONS FOR FORM:

Keep all documentation supporting refund claims at the location of your business records.

You must file a separate DR 0137 form when you are requesting a refund from multiple tax accounts. For example, submit one claim for retail sales tax and a separate claim for retailer's use tax.

Power of Attorney (POA)

If you are submitting this claim for a third party, you must include a Power of Attorney (DR 0145).

Reason for Refund Request

The reason for the over-payment should be listed.

Explanations such as "Credit on Account" or "Over-payment" or "See attached" or "Filing error" are not sufficient explanations. A short explanation should be provided even if a letter is included. Additional information and examples have been provided for each tax type.

Sellers/Retailers Claim For Refunds

- **Do not combine sales and use tax refunds on the same claim; file a separate claim for each tax account type. For assistance in determining the breakdown of the tax rate on your invoice, see publication DR 1002.**
- **County Lodging and Local Marketing will have similar requirements to what is outlined.**

REQUIRED DOCUMENTATION:

Note: The documentation requirements and examples listed cover the most frequent claim types. The documentation required will depend on the reason for overpayment. Some claims may require additional information or a combination of the documentation outlined.

Overpayment reasons such as duplicate payment (exact same amount), a vendor's fee paid in error, or a payment data entry error, would not require the documentation outlined.

An example of payment data entry error would be you intended to pay \$5,000.00 and made an EFT payment for \$50,000.00.

Invoices or Purchase Orders

If your claim contains fewer than 100 invoices, submit copies of all invoices for review.

If your claim contains 100 or more invoices, submit at least 25% for review which should include the following:

- The majority of the larger dollar amounts requested.
- Invoices for each customer submitted in the claim.
- Select invoices from each filing period requested in the claim.
 - If you are claiming tax paid by third-party vacation Rental Company, provide the reservation invoices receipts along with the third parties sales tax account number.

Proof of Refund to Customer

Proof tax was refunded to Customer such as a copy of cancelled check or credit memo.

Proof of Exemption

This could include a copy of a resale license or exemption certificate. *Please see "Examples of documentation by Refund Reason".*

Support for Filing Error

This could include a sales summaries or reports. *Please see "Examples of documentation by Refund Reason".*

Spreadsheet

You must attach supporting spreadsheet/schedule to your claim for the original returns being amended that shows all invoices on which sales or use tax was paid with the following columns: (Highlight the invoices on the supporting spreadsheet/schedule(s) and their related amounts that are included in the refund claim.)

- Store/vendor or customer's name;
- Address including street, city, and state;
- Date of invoice or purchase;
- Invoice number (attach copies of invoices);
- Amount of the sale before taxes;
- State sales/use tax paid, county sales/use tax paid, city sales/use tax paid, special district sales/use tax paid, etc. (separate column for each tax);
- Amount of refund being claimed;
- Indication of whether a copy of this invoice is enclosed;
- A brief description of the item or service purchased;
- Explanation of how the item or service is used;
- A brief description of why the tax is not due (attach proof that the money was refunded or credited to your customer)

If you are applying for a refund from multiple periods and multiple site locations, the invoices and related information must be separated by period and location. Each period's data must be totaled separately.

Sellers/Retailers Claim For Refunds (Continued)

Note: To reduce errors and for faster processing, electronic spreadsheets are preferred (CD or USB).

Amended Returns

You must submit amended returns for each applicable period and include separate returns for each site (location) involved in the refund claim. The department requires that the refund request match the sites (branches) that are set up on the account otherwise the refund request cannot be processed. To verify your sites, go to www.Colorado.gov/RevenueOnline, and select "View Sales Rates and Taxes" then select "View Business Location Rates" under "Additional Services." You will be able to view all open sites. Any closed sites will not show in the search. The site (where the tax was remitted) must correspond to the appropriate site in the refund request.

If you amend your return(s) electronically at

www.Colorado.gov/RevenueOnline: you are required to verify that your amended returns posted correctly prior to submitting your Claim for Refund (DR 0137). Be sure that you have contacted your software provider prior to filing an amended XML return so that your XML amended indicator will be used. For Excel Spreadsheet filers, you will add a capital X in column O Row 3 in the Header. If the XML amended indicator is not used or you do not mark your Excel Spreadsheet as indicated above, your return will not be amended.

If you are filing an amended paper return: you are required to check the amended return box. A separate amended return must be filed for each period and site that is appropriate to the refund claim. The amended return must show all tax columns as corrected, not merely the difference(s). The amended return will replace the original return in its entirety. If applicable, be sure to use the correct vendor fee for the period(s) and site(s) you are amending.

Examples of Documentation by Refund Reason

Refund Reason Example One: "Exempt Sale".

In addition to the documentation outlined above, an example of support could include a copy of one or more of the following:

- Customer sales tax license or wholesale license.
- Contractor's exemption certificate.
- Certificate of exemption for Government or Charitable.
- Direct Pay Permit.
- Form DR 5002.
- Form DR 0563.

Refund Reason Example Two: Incorrect Sales Reported.

In addition other documentation outlined above, an example of support could include a copy of one or more of the following:

- Information to support the amounts reported on the original filing.
- The sales report or other information to support the amounts reduced/increased on the returns.

Refund Reason Example Three: Estimated/Non-filer bill paid and return later filed reducing amount owed.

- Provide a copy of the sales report, invoices or receipts supporting the actual filing.

Refund Reason Example Four: Received a letter indicating a credit was on the account.

- If you received a letter, please review your return and payment submitted for the filing period. In addition you should review your sales records, invoices and other records to determine the reason for overpayment. Do not submit a claim for refund with the reason "Credit on Account".

Refund Reason Example Five: Overpayment of bill.

- If known, reference the applicable Statement of Account (SOA) or notice you remitted payment on.

Wage Withholding Tax Refunds

Overpayment of Current Year

The Department issues refunds of wage withholding only once a year. Refund requests made prior to the annual reconciliation will be denied unless an extenuating circumstance is documented.

Examples of an extenuating circumstance would include:

- Federal withholding paid to the State of Colorado in error.
- A significant data entry error that will not be used by the end of the year or causes a hardship on the business. For example, you intended to make a payment of \$5,000.00 and made one for \$50,000.00.

If you overpaid wage withholding taxes for any period in the current calendar year, take a credit on a subsequent month's Withholding Tax Return (DR 1094). The credit may be deducted from an EFT payment, a return filed on Revenue Online, or a subsequent paper form DR 1094. To claim the credit, remit the difference owed on your next filing. For example, you overpaid withholding by \$200.00 on your March filing. The amount of withholding owed for April is \$500.00. File a return and remit payment for \$300.00 or if paying by EFT remit a payment for \$300.00.

If you are unable to claim the credit on a subsequent DR 1094 within the calendar year of the overpayment, you may request a refund by filing the Annual Transmittal of State W-2 Forms (DR 1093) on or before **January 31**. The DR 1093 will indicate the total amount of taxes withheld in the prior year on employees' W-2s and the total amount of withholding tax payments paid to the Department. If the amount withheld and the amount paid results in a refund, file the form DR 1093 and use line 3B.

Overpayment for previous calendar years

To apply for a refund from a previous calendar year, the following is required:

- A Claim for Refund (DR 0137) indicating the reason for the request.
- An original or amended DR 1093 for the year the refund is being requested.
- Copies of the employees' W-2Cs with complete information showing the change in the withholding amount.
- Documentation showing how the refund amount was calculated.

1099 and Gaming Withholding

The guidance for 1099 and Gaming Withholding is similar to what is outlined above.

Forms for 1099

- 1099 Income Withholding Tax Return (DR 1107).
- Annual Transmittal of State 1099 Forms (DR 1106).
- 1099s.

Forms for Gaming Withholding

- Backup Withholding Tax Return Gaming (DR 1091).
- Annual Reconciliation of Income Tax Withheld on Gaming Winnings (DR 1101).
- W-Gs.

Consumer Use Tax Refunds

(If your claim is industry specific, please review both this page and the subsequent page)

- **Do not combine sales and use tax refunds on the same claim; file a separate claim for each tax account type. For assistance in determining the breakdown of the tax rate on your invoice, see publication DR 1002.**

REQUIRED DOCUMENTATION:

Note: The documentation requirements listed covers the most frequent claim types. The documentation required will depend on the reason for overpayment. Some claims may require additional information.

Overpayment reasons such as duplicate payment (exact same amount) or a payment data entry error would not require the documentation outlined.

An example of payment data entry error would be you intended to pay \$5,000.00 and made an EFT payment for \$50,000.00.

Invoices or Purchase Orders

- Invoices you are requesting a refund on.

Amended Returns

If you are requesting a refund of consumer use tax, send copies of amended forms DR 0252 and DR 0251 (for RTA).

You must submit separate amended returns for each applicable period involved in the refund claim. The amendment must be done for the period that the over-payment occurred and not on a future period.

You are required to check the amended return box. A separate amended return must be filed for each period and site that is appropriate to the refund claim. The amended return must show all tax columns as corrected, not merely the difference(s). The amended return will replace the original return in its entirety.

Spreadsheet

You must attach a supporting spreadsheet/schedule to your claim for the original returns being amended which showed the invoices on which use tax was paid with the following columns: (Highlight the invoices on the supporting spreadsheet/schedule(s) and their related amounts that are included in the refund claim.)

- Store or vendor's name;
- Date of invoice or purchase;
- Invoice number (attach copies of invoices);
- Invoice amount;
- State use tax and special district (RTD/CD/RTA) use tax paid (separate column for each tax);
- Amount of refund being claimed;
- Indication of whether a copy of this invoice is enclosed;
- A brief description of the item or service purchased;
- Explanation of how the item or service is used;
- A brief description of why the tax is not due.

If you are applying for a refund from multiple periods, the invoices and related information must be separated by period. Each period's data must be totaled separately.

Note: To reduce errors and for faster processing, electronic spreadsheets are preferred (CD or USB).

Consumer Use Tax Refunds (Continued)

(If your claim is industry specific, please review this page and the previous page)

Industry Specific Consumer Claims

(The information provided here is specifically for use claims. References to Sales FYIs are for resource purposes. If you are a buyer/purchaser of these please see form DR 0137B for sales tax refunds on these industries).

Note: A general reference to a statute, vendor, case, or references to the exemption type are not sufficient.

In addition to the documentation listed above, the following support should be included in your submission if you are claiming refunds for the following industries:

Affordable Housing (FYI Sales 95)

- Statement from housing authority detailing and certifying the housing authority's ownership interest in the project and the percentage of the project that is for occupancy by persons of low income.

Low-Emitting Heavy Vehicles (FYI Sales 91)

- Form DR 1369 Colorado State Sales and Use Tax Exemption for Low-Emitting Heavy Vehicles Affidavit.
- EPA certificate.

Computer Software (Sales Tax Topics Computer Software)

- Proof that software was electronically delivered.
- A copy of the contact demonstrating the software was subject to negotiation.
- Support demonstrating the software was customized.

Farm Equipment (FYI Sales 75)

- Form DR 0511 Affidavit for Colorado Sales Tax Exemption for Farm Equipment.

Rural Broadband

Do not use this form. Please download Form DR 0137C.

Rural Jump-Start

- Evidence that your business qualifies for the Rural Jump-Start program and is endorsed by IHE.

Manufacturing (FYI Sales 10)

- Include the utility statements for the refund period and copies of exemption certificates for exempt utility charges (i.e. DR 1666 with computations showing the exempt and nonexempt usage determined by square footage or actual energy consumption);
- Copies of the DR 1191 or DR 1192;
- If request is for an entity inside of an enterprise zone; include a statement from the enterprise zone administrator.
- In addition to invoices, please provide field tickets or work orders for transactions claimed as exempt services. For example, mud services.

Interest: If this refund qualifies for interest please provide the calculation and an explanation along with any support demonstrating how it qualifies.

Interest is due on sales and use tax refunds when the following conditions are met:

- The payment was made incident to a bona fide and orderly discharge of an actual liability and
- The refund is not issued within 90 days from the due date of the return, and
- The refund claim was made in a timely manner after discovery of the overpayment.

Resources for Interest

- Statute §39-21-110 and 39-21-110.5
- Regulation 39-21-110 and 39-21-110.5

Claim for Refund

**This claim form is for monies remitted directly to
 The Department of Revenue. (Do not use for income tax refund)**

****Attention****

**Failure to complete the required form(s) and submit all supporting documentation
 may cause the amount of the refund to be reduced or denied.**

- This form is used for Sellers/Retailers, Consumer Use, Local Marketing, County Lodging and Withholding. For Buyer's/Purchaser's claims, use Form DR 0137B. For Rural Broadband Use, use Form DR 0137C.
- Review the instructions provided with this form prior to submitting your claim for refund. The instructions have replaced FYI Sales 90.
- The vendor's fee, which was retained when the tax was remitted to the Department, will be deducted from all sales tax refund claims.
- Interest: If this refund qualifies for interest please provide the interest in the claim and an explanation of how the refund qualifies for interest. See instructions.
- Periods can be combined if consecutive for each type of tax
- If possible, instead of submitting a claim for refund to the Department, deduct the overpaid taxes on your next tax return. See "Seller's/Retailer's overpayments" in the instructions to determine if this method is an option.
- You must file a separate DR 0137 form when you are requesting a refund from multiple tax accounts. For example, submit one claim for retail sales tax and a separate claim for retailer's use tax.
- Submit form(s) along with supporting documentation. Keep a copy of the form(s) and documentation for your records. (See instructions).

Refund to be made payable to, and mailed to: (If this is different from the name and address on the Department records for the account number(s) used, provide explanation and notarized power of attorney specific to this refund claim for the action.)

Taxpayer Last Name		First Name	Middle Initial
Taxpayer DBA (if applicable)			
Mailing Address		City	State Zip
SSN		FEIN (required)	
Colorado Department of Revenue Account Number	Type of Tax	Period (MM/YY - MM/YY)	
Original Amount Paid	Correct Amount	Refund Requested	

Refund Request Reason (List the reason for the over-payment.) **Note:** Explanations such as credit on account, over-payment, see attached, or filing error are not sufficient explanations. A short explanation should be provided even if a letter is included.

I declare under penalty of perjury in the second degree that this claim including all attachments is to the best of my knowledge true and correct. I further understand that the claim and documentation may be subject to the same verification process used by the Department of Revenue in auditing other taxes for three years from the date of payment of the claim. [13-80-101 (1)(m) C.R.S.]

Taxpayer Signature (this line must be signed by an officer, partner, or owner of the firm claiming the refund)		
Title	Phone Number	Date (MM/DD/YY)
Signature of Preparer (if other than taxpayer). If you are a third party include the form DR 0145 Power of Attorney form.		
Name of Firm	Phone Number	Date (MM/DD/YY)

For Department Use Only. Do not write in this section.

Comments: