

XML FILING COMMON QUESTIONS

GETTING STARTED

Why can't I file by the spreadsheet I used in 2010?

The Department of Revenue converted business accounts to an accounting system that manages Colorado sales, use and wage withholding taxes. As part of this change, original spreadsheet filing can no longer be processed. A new filing method must be used to file DR 0100 returns.

I don't want to file online/electronically. Will the department send the DR 0100 forms to our business, including the tax rates, for each location?

All current multiple location filers who have not been approved to file using one of the electronic formats will receive DR 0100 returns for each of their locations until they are ready to file using an electronic method. Forms contained in the mailing will be set up so that each location's tax rates will be on a separate DR 0100 form. The department will stop sending DR 0100s to you once we know you are approved to use XML. If you decide to use a software company or vendor for the XML service, please contact the department at dor_locationfilers@state.co.us when you no longer need to receive DR 0100 returns in the mail.

What will happen if we file a spreadsheet that has not been approved?

The department cannot process and will send back any sales tax return filed in the spreadsheet format. You must file XML, by Excel or complete a paper DR 0100 return for each location and send those to us. If you do not fulfill this requirement, penalties will be assessed.

How will supplemental forms, such as the DR 0100-1 and DR 0100-1R, handled in system?

The DR 0100-1 and DR 0100-1R supplemental forms no longer exist and are not be processed through our system. The data that taxpayers reported on those forms will be handled through approved XML files, by Excel or on the separate DR 0100 returns for each location. The following taxes must be reported separately. The forms to use to report these taxes are listed here:

- County Lodging Tax (DR 1485)
- County Short Term Rental Tax (DR 1480)
- Local Marketing District Tax (DR 1490)
- Waste Tire Recycling Development Fee for new tires (DR 1772)

Baseball District Tax: Form DR 0200 should be used to report Baseball District tax only. The form has been revised so that only the Baseball District (BD) column may be completed. Effective October 1, 2010 only those taxpayers who are required to file and pay Baseball District tax will receive the DR 0200 return by mail.

Who do I contact if I have questions on how to develop and test the XML e-file format?

Business Tax Accounting Services dor_locationfilers@state.co.us or Steve Asbell, State Electronic Filing Coordinator, stephen.asbell@state.co.us

I am trying to determine what my company needs to do to establish the new XML filing form and all additional requirements that Colorado has. We collect tax in multiple jurisdictions, so to file a DR100 return for each location would not be practical. I have tried to figure out which document will give me the information I need, but it appears that we must have a software company involved to set us up. Can the state direct us to approved companies or do we have to contact a company ourselves?

The sales efile records are in Extensible Markup Language (XML) format, which requires that someone at your business/company have some Information Technology (IT) background to construct the file. Alternatively, you could contact one of the companies listed in "Sales Efile Approved Vendors" on the Multiple Location Filers Web page.

Do you have a Web address/URL set up yet where taxpayers upload XML files and what the procedures will be?

The Online Sales Tax Filing system, www.Colorado.gov/salestax has a button for Multiple Business Locations where department-approved XML files must be uploaded.

NOTE: Do not submit an XML file that has not received department approval. Unapproved files will be rejected and taxpayers will receive a notice that the file is incorrect and cannot be processed. Submitting unapproved XML files would be similar to not filing a return at all. A business must file DR 0100 paper returns for each location until the XML file is approved. Or, you may contact an approved vendor and use that vendor's approved XML file.

Where do we send our XML files for testing and approval?

You may send XML files for review, testing and approval to Steve Asbell, Department of Revenue Electronic Filing

Coordinator, through the following email address: stephen.asbell@state.co.us

What about businesses that must file for multiple non-physical locations? Is there a different filing process for them?

The DR 0100 should be filed whether a business is filing sales for physical or non-physical locations (non-physical meaning the business has established "nexus" in a tax jurisdiction and is required to file sales tax for that jurisdiction). The taxpayer should report tax for all open locations (branches), even for locations that have no sales in a given filing period.

What about telecommunications companies?

Telecommunications companies have a location (branch) for each tax jurisdiction where they have customers, even if the telecommunications company does not have a physical location in that jurisdiction. The department will show an open location (branch) for all jurisdictions where the telecomm company provides service. Therefore, again, the taxpayer should report tax for all open locations, even for locations that have no sales in a given filing period.

Is rounding to the nearest dollar required for XML filers?

No, rounding is not required and if you are not rounding, there should be only two decimal places in the dollar amounts. You may round if you wish to do so. Note: Filing by paper returns requires rounding. If you anticipate filing a return by paper, it may be prudent to begin XML by rounding.

Does the file containing all the sales tax data that we submit to the department need to end with .xml?

Yes, the file must end with .xml. The name of the file before the .xml extension can be whatever the business's recordkeeping needs dictate.

Is it required to have a minimum number of locations for e-filing (XML)?

Only one location is required to e-file. However, if your business has only one location, you may file using the Single Location service which is currently available at www.Colorado.gov/salestax. Single location businesses may choose to use the XML filing method.

We currently use the Electronic Funds Transfer (EFT) system to pay our combined retail sales tax. If we have to file each location separately on the DR 0100, will we still be able to use the EFT system for payment or pay by check for returns?

You may continue to make a single EFT payment to remit the tax for all locations. Or you may use the Colorado Online Tax Payment service to make one payment by echeck or credit card.

Did filing of my XML return complete successfully?

When the Web page displays the message "Upload Successful" your transaction is not yet complete. You must continue to check out and choose a payment method. You must continue until you receive a confirmation number for your return to be successfully filed.

TESTING AND APPROVAL HELP

What is an XML format?

XML stands for "Extensible Markup Language." XML is a set of rules for setting up your sales tax return in a format that will be readable by our tax accounting system. You will send the file to the department through a secure Web site. Then the file and all your tax data will go directly into the department's accounting system.

How do I develop the e-file XML format?

Please see the Multiple Location Filers Web page and the links at the bottom of the page on how to develop your new electronic return in XML format and be approved to file electronically.

Why do I have to be approved?

Approval is needed so that data is in the correct fields, your return can be processed through our system, and the format will meet our system standards. Taxpayers must receive Department of Revenue approval of their data in our XML format before submitting any returns electronically, unless they use software which has received department approval. Accurate data from multiple location filers is important because local governments are relying on the data and tax dollars to maintain their operations and services to citizens. The department distributes tax dollars to local governments monthly. Requiring multiple location filers to use either an electronic method or file a paper return for each location will help us achieve accuracy for local governments. While we prefer that businesses use our electronic methods, separate returns for each location are still processed.

On the Multiple Jurisdiction Web page you have, specifically Test Scenarios One, Two and Three. There is no Jurisdiction Name listed above the County/MTS, City/LID, and Special District columns. Instead it looks like there is an email address line and the 2c Total Deductions line. Does the state still require that the jurisdiction name be listed above each column?

In e-file (XML format) you are providing the jurisdiction code of the location. On a paper return, we do not need the jurisdiction name since the location account attributes in our system define the jurisdictions.

On several of the state examples the service fee line is filled in with "NA" and the service fee allowed line is left blank. On other examples both lines are left blank. Should these lines be left blank when there isn't a service fee? Or, should "NA" be printed on one (or both) of the lines?

When the vendor fee is zero, the service fee line may be left blank on the paper DR 0100. The important thing is: the vendor fee claimed must be correct.

In the XML file specifications, can use tax report exemptions?

Line 10 (DR 0100 sales tax return) should only include taxable items taken from inventory.

What is the difference between "other exemptions" and "other deductions?" Please clarify how we should distinguish what represents an exemption as opposed to what is considered a deduction.

Deductions apply to all taxes. Exemptions sometimes apply to certain taxes and not to others. That is why we have separate Part A (deductions) and Part B (exemptions) worksheets.

In the TaxBasis section of the upload file, there is a field for NetTaxableSales and TaxableAmount. These two amounts would seem to be the same because the net taxable. Sales is the taxable amount. What would account for a difference between the amounts in the two fields?

TaxableAmount is after the common deductions are subtracted, line 3 of form DR 0100. NetTaxableSales, line 4 of the DR 0100, is the amount after lines 3a, 3b, and 3c are deducted for each tax.

After our XML file is tested and receives department approval, do we populate the OriginalSubmissionId node or do we only populate this on are submission with the original submission Id?

You should populate SubmissionID. OriginalSubmissionID will not be used until such time as we start allowing corrected or amended returns by XML (efile). Here is some additional information about what is needed in the header. Elements not listed here are not required.

| Return Header | Value | Comments |
|--------------------|-------|---|
| Jurisdiction | CO | |
| Timestamp | | |
| TaxPeriodBeginDate | | |
| TaxPeriodEndDate | | |
| Tax Year | | |
| Software ID | | Software or Company Name |
| Submission ID | | First 6 characters of acct #, Julian Date CCYYDDD, sequence # |
| Originator | | EFIN="000000" Type="ERO" or "Online Filer" |
| Return Type | Sales | |
| Filing Frequency | | |
| TINType | | FEIN or SSN Required |
| TIN Required | | |
| Colorado Acct # | | Required |
| Business Name | | No special characters such as comma Required |
| Address | | No special characters such as comma |
| City | | |
| State | | |
| Zip | | |
| Date Signed | | |
| Contact Name | | |
| Contact Phone | | |
| Contact Email | | |
| ACK Email | | |

In the upload file, there is a TaxDueAmount, TotalTaxCollected, and SalesTaxDueAmount field. Please confirm what the difference is between the three amounts.

TaxDueAmount is line 11 on form DR 0100. TaxCollected is line 7 on the DR 0100. SalesTaxDueAmount is line 9 after any allowable vendor discount.

Line 3C of the return, which in the XML file is OverpaymentPriorReturn. The department's Test case has line 3C populated for state only. How is this possible? How do we make the return work if the taxable revenue is different from the state, local, or district sections for a given location?

No. This usually does apply to all taxes.

Please translate what this means: <xsd:pattern value="[1-9][0-9]{3}\-.\+T[^\.]+(Z[\+]

],+)\> and give an example?
The pattern is the timestamp. It is the date and the local time minus hours difference from Greenwich Mean Time (GMT). YYYY-MM-DDTHH:MM:SS-HH:00 2010-06-09T12:33:00-07:00

In the SubmissionID element, does the "first 6 characters of acct#" include the leading zero that will now appear in front of the tax account number elsewhere? And, is there a minimum and/or maximum length of the sequence# portion of this element?

In SubmissionID you use the new account number with leading zero. The sequence number is seven digits.

We have something in our software for electronic filing called "enveloping," where a taxpayer is creating files for several different entities, and as a convenience we concatenate them into one file, so they only have to transmit one file. Can Colorado support that feature, where a single file would have data for several account numbers (of course, each account number would still contain a few or many branch numbers), and each account number would have its own ReturnHeader and ReturnData nesting?

The return for a customer will have all locations with a single return header. Within ReturnDataState there is a FilingBody for each location. Within each location FilingBody you will report the sales taxes that apply to that location.

Is the <LocationJurisCode> required to be six digits long, as in the sample XML files, or is five sufficient?

The department's DR 0800 County/City Codes document used by most spreadsheet users has been updated to show six digits for each jurisdiction, in the format ab-cde. You must use the six-digit version for e-file.

Our system contains LocationJurisCode values in the format ##-###, e.g. 01-006 for Denver. Your example files are in format #####, e.g. 010006 for Denver. Can we submit values with the dash, or do we need to submit only numeric digits?

You should enter LocationJurisCode with just the six numeric digits.

In the XML file, we have to strip out the hyphen, but do users have to include the additional digit?

LocationJurisCode should be six characters. Replace the dash in the five-character code with a zero. For example, the current code 01-006 will be 010006. The DR 0800 is being updated. The Location/Jurisdiction Code may be found under Tax Forms and Forms by Number on our Web site at www.TaxColorado.com Choose the form number DR 0800 "Location/Jurisdiction Codes for Sales Tax Filing".

On Lines 2B(9) and 3b(10), the sample files contain Other Deduction Explanation as the actual text between the <OtherDeductionExplanation> tags. Is that the text that really should go there, or should the taxpayer provide a specific explanation of what the other deduction is, and if so, what is the maximum number of characters? Is there somewhere among the schema documents where I might have found the answer to this?

For the "other deduction explanation," the taxpayer will provide a specific explanation. The length is a 255 character string, which is noted in the schema map spreadsheet.

The handbook formatting rules mention that the Part A Deductions (Line 2B(1-9)) need only appear once for a location, in the "State" tax code nest. Is that correct? I'm wondering because one of the sample files includes GovtCharitableSales in all of the tax codes for a given location.

Part A deductions need only be included in the state sales tax deductions, but may be repeated for each tax if that is simpler from a programming standpoint.

How do we obtain our ISPNumber? This is the value for ReturnState/ReturnHeaderState/ISPNumber.

Internet Service Provider (ISP) is not required for the XML file. It may be left out of the return header.

Can a FilingBody contain more than one JurisdictionTax?

Each filing body should have only one jurisdiction, and therefore, one JurisdictionTax.

What does the SubmissionID pertain to? Is that provided to the clients, to the vendor, or is it populated by DOR? If it is a number the vendor produces, how do we retain it from the state?

The element SubmissionID is used in the return header to uniquely identify that return. It is generated by the software based on the account ID of the filer, the Julian date CCYYDDD where DDD is the Julian day 1-365, and a sequence number.

In the ReturnHeaderState element, is the vendor (who uploads the file) considered a preparer or a filer?

If the software is hosted by the vendor acting as the preparer, the vendor is the preparer. If the return is prepared by a paid preparer, they are the preparer. The filer is the retailer who is reporting tax.

If a file is submitted that has multiple locations, but two of the locations were using the same LocationCode, will your system aggregate the financial information to report it as a single location?

If store 1 and store 2 are both in, Denver for example, our system will show it as two locations. Filing starting with September filing period is at the location level for all sales taxes. Our system will expect a FilingBody for both locations, even if one had zero sales.

What does your system do if we submit a file with multiple ReturnDataState/FilingBody but the values for the LocationCode elements of several FilingBody elements is non-unique? For example, one FilingBody has a LocationCode of nnnnnn0001, three FilingBody each has a LocationCode of nnnnnn0002, and one FilingBody has a LocationCode of nnnnnn0003.

Two locations should not have the same LocationCode even if they are in the same tax jurisdiction. Each location has a separate branch number. In the SalesTest One Instance on our Multiple Location/Jurisdiction Web page there are filing bodies for locations 1 to 5. Within each filing body there are taxes that apply to that location.

For businesses that do not have locations, such as those doing door-to-door sales and reporting sales by point of delivery, can all sales within one tax jurisdiction be combined into one LocationCode? Or must each point of delivery, even if in the same city/tax jurisdiction, be in its own LocationCode?

Businesses without physical locations still have branches for each taxing area in our system if they have previously registered them. Businesses should verify the locations we have on record for them at the following location: www.Colorado.gov/RevenueOnline The information on this site shows correct location/branch registration number and location number that together make LocationCode. It also has the six-digit jurisdiction code (LocationJurisCode). Sales within those locations/areas by businesses without physical locations may be aggregated.

If a business doesn't have any sales during a period, should those locations be in the XML file?

Locations that are open in our system have always been required to file a zero return even if sales are zero. Locations should be included in the XML file even if sales for those locations are zero.

Looking at your XSD, it is unclear what data is required for a zero-dollar branch. Please provide a file with an example FilingBody for a zero-dollar location/branch.

A location with zero sales looks similar to any other location.

FILING USING THE XML FORMAT

I'm approved to file electronically with XML. Now, how do I pay?

If you file electronically you must pay electronically. To file by Electronic Funds Transfer (EFT) you must first register using the DR 5785, Authorization for Electronic Funds Transfer (EFT) for Tax Payments, and make the payment transaction through the Department of Revenue Chase Bank PayConnexion Web site or by telephone.

Another alternative is Colorado Online Tax Payment at www.Colorado.gov/taxpay. You can make a payment at the time same time you submit your sales tax return electronically. Payments may be made by electronic check or credit card.

How do I verify my branch numbers?

You may confirm the branch numbers through our Retailers' Sales Tax Rates page. Search by account number. The verification system will show all open locations for your account number and the current, applicable tax rates for each location. If a location you need to include in your return is not shown on the Web listing, you must contact us at dor_locationfilers@state.co.us This mailbox is for new site locations only. All requests must include the account number, company name, location/jurisdiction code, the city name and the zip code. In most cases, you will receive a response to your request within 24 hours of submission. Include the physical address of the missing location and whether it is inside or outside the boundaries of the location address city. We will then notify you of the branch number assigned to that location. **Please note that the mailbox is closed from the 17th of the month through the last day of the month during quarterly months: January, April, July and October, due to high processing volumes.**