

Colorado Withholding Worksheet for Employers

This worksheet prescribes the method for employers to calculate the required Colorado wage withholding. 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*. Starting in 2022, an employee also has the option to submit the new form DR 0004.

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

1. If an employee submits form DR 0004, use the amounts entered on that form DR 0004 as instructed in Step 2.
2. If an employee submits only form W-4 without form DR 0004, complete Step 2a based on the expected filing status indicated on that form W-4, unless they claim to be exempt.
3. If an employee submits only form W-4 and claims to be exempt, see Part 1 of the *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 form W-4 or form DR 0004, complete Step 2a as if they submitted form W-4 with an expected filing status of “single,” and enter zero on Step 2e.

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, if an employee submits a new form W-4 without a new form DR 0004, that form W-4 revokes any prior form DR 0004 (or any requests for additional withholding made prior to 2022).

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

1. an electronic version of this worksheet, the *DR 1098 Withholding Calculator*;
2. the new form DR 0004, *Colorado Employee Withholding Certificate*; and
3. the *Colorado Wage Withholding Tax Guide*, which provides more information about wage withholding requirements.

Step 1: Wages

- 1a** Enter the employee’s total taxable wages this payroll period..... **1a** \$ _____
- 1b** Enter the number of pay periods you have per year (see the Pay Period Table below)..... **1b** _____
- 1c** Multiply the amount on line 1a by the number on line 1b. **1c** \$ _____

Step 2: Withholding

- 2a** If the employee completed form DR 0004 Line 2, enter that amount. If the employee did not submit form DR 0004, or if form 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): \$8,000 if married filing jointly or qualifying widow(er); or \$4,000 otherwise..... **2a** \$ _____
- 2b** Subtract line 2a from line 1c. If zero or less, enter zero **2b** \$ _____
- 2c** Multiply the amount on line 2b by 4.55%..... **2c** \$ _____
- 2d** Divide the amount on line 2c by the number of pay periods on line 1b..... **2d** \$ _____
- 2e** If the employee completed form DR 0004 Line 3, enter that amount. If the employee requested additional Colorado withholding prior to 2022, continue entering that amount until they submit a new withholding certificate. Otherwise, enter zero..... **2e** \$ _____
- 2f** Sum lines 2d and 2e. **This is the Colorado withholding amount per pay period** **2f** \$ _____

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

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!



Frequently Asked Questions About Colorado Withholding Tax Requirements

- Question:** Is there a separate Colorado form similar to the federal form W-4 for employees?
Answer: Yes. Starting in 2022, an employee may complete Colorado form DR 0004, but it is not required. If an employee completes form DR 0004, you must calculate withholding based on the amounts the employee entered. If an employee does not complete form 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 furnish a listing of individual employees with my wage withholding returns?
Answer: No. A breakdown or listing of individual employees is not required with your returns. This information is on the W-2s filed with your "Annual Transmittal of State W-2 Forms" (DR 1093).
- Question:** What determines whether a return is filed late?
Answer: The postmark stamped by the U.S. Postal Service determines whether a filing is late. In other words, if a return that is due on the 15th day of a month is postmarked on or before the 15th, it will be accepted as "timely filed" regardless of when it arrives at Department of Revenue offices. Timely filing for weekly filers paying by EFT credit requires origination of the payment transaction on the due date. If paying through the Department's EFT debit service, the payment must be made before 4:00 p.m. Mountain Time on the due date. Payments remitted after 4:00 p.m. on the due date will be subject to a delinquent payment penalty.
- Question:** If I make a withholding tax payment by EFT, do I need to also file 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, you need to create your Login ID and Password at [Colorado.gov/RevenueOnline](https://tax.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 for penalty and interest?
Answer: Payment for any notice of deficiency for wage withholding tax, penalty, and/or interest can be remitted via EFT using 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. Visit [Tax.Colorado.gov/EFT](https://tax.colorado.gov/EFT) for more information on how to file by EFT.

Colorado Department of Revenue Taxpayer Service Centers

Denver Metro

1881 Pierce St, Entrance B
Lakewood, CO 80214

Fort Collins

3030 S College Ave
Fort Collins, CO 80525

Pueblo

827 W 4th St, Suite A
Pueblo, CO 81003

Colorado Springs

2447 N Union Blvd
Colorado Springs, CO 80909

Grand Junction

222 S 6th St, Room 208
Grand Junction, CO 81501

