

Colorado Withholding Worksheet for Employers

This worksheet prescribes the method for calculating Colorado wage withholding.

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

1. an electronic version of this form, the *Withholding Worksheet Calculator*;
2. the new *Colorado Employee Withholding Certificate (form DR 0004)*; and
3. the *Colorado Wage Withholding Tax Guide*, which provides more information about wage withholding requirements, taxable and exempt wages, filing frequency, and W-2 wage and tax statements.

Colorado wage withholding is based on the information reported by an employee on their withholding certificate, either Colorado form DR 0004 or federal Form W-4.

Every new employee must complete the current version of federal Form W-4, which is available at IRS.gov. Starting in 2022, an employee also has the option to complete the new Colorado form DR 0004.

Every employer must calculate the required Colorado wage withholding using the worksheet below. If an employee completes form DR 0004, the employer must use the amounts the employee entered. If an employee does not complete form DR 0004, the employer must use the appropriate amount based on federal Form W-4, as noted on Step 2a of this worksheet.

An employee may adjust their withholding at any time during their employment by completing a new withholding certificate. The employer must continue to use the employee's previous withholding certificate until such time that the employee decides to complete a new certificate. Any change to the Colorado income tax rate does not alter or amend an employee's withholding elections.

Step 1: Wages

- 1a** Enter the employee's total taxable wages this payroll period, or go to Step 1c to enter the employee's annual salary **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, or enter the employee's annual salary..... **1c** \$ _____

Step 2: Withholding Calculation

- 2a** Enter the amount from the employee's form DR 0004 Line 2, if the employee submitted one. If the employee did not submit form DR 0004, enter the appropriate amount based on the employee's expected filing status from Form W-4 Step 1(c): \$8,000 if married filing jointly or \$4,000 otherwise **2a** \$ _____
- 2b** Subtract line 2a from line 1c. If zero or less, enter -0-..... **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** Enter the amount from the employee's form DR 0004 Line 3, if the employee submitted one. If the employee did not submit form DR 0004, enter -0-..... **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 W-4 form 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 federal Form W-4, as noted in the worksheet above.
- Question:** Should I furnish a listing of individual employees with my 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 in Revenue Online at [Colorado.gov/RevenueOnline](https://www.colorado.gov/RevenueOnline). For instructions see the "Help" link under the Revenue Online home page menu.
- Question:** How do EFT filers pay a notice of deficiency for penalty and interest?
Answer: Payment for any notice of deficiency for wages 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://www.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

