

Qualifying resident individuals may claim a refundable credit on their 2021, 2022, and 2023 Colorado income tax returns. The credit is a mechanism to refund tax revenue in excess of limits established by the Taxpayer's Bill of Rights amendment added to the Colorado Constitution in 1992.

This publication is designed to provide general guidance regarding the state sales tax refund credit and to supplement the guidance provided in the [Colorado Individual Income Tax Guide](#). Nothing in this publication modifies or is intended to modify Colorado's statutes or regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

The information provided in this publication does not apply to the Colorado Cash Back rebates issued pursuant to [Senate Bill 22-233](#).

Qualifying individuals

Eligibility for the credit is based on requirements relating to residency, age, income tax, and wage withholding. Under certain circumstances, incarcerated individuals are not allowed to claim the credit, even if they satisfy all other applicable requirements.

Residency requirements

The credit is allowed only to individuals who were domiciled in Colorado for the entire tax year. In the case of an individual who died during the tax year, they must be domiciled in Colorado from January 1 of the tax year until the date of their death.

For guidance regarding domicile and how an individual's domicile is determined, please see Part 1 of the [Colorado Individual Income Tax Guide](#).

Anyone who was a part-year resident or nonresident of Colorado for the tax year does not qualify for the credit.

Age, tax, and withholding requirements

Individuals who were not at least 18 years old before the tax year began may claim the credit only if one or both of the following conditions were met for the tax year:

- They have a Colorado income tax liability for the tax year; or
- They file a Colorado return for the tax year to claim a refund for income tax withheld from their wages.

Individuals who were at least 18 years of age before the tax year began and who satisfy all other applicable requirements qualify for the credit regardless of whether they had any Colorado wage withholding or Colorado income tax liability for the tax year.

Incarcerated individuals

Individuals serving a sentence for a felony do not qualify for the credit if they were incarcerated for at least 180 days of the 12-month period ending on June 30 of the tax year. The 180 days of incarceration may be in a correctional facility operated by or under contract with the Department of Corrections, a county or municipal jail awaiting transfer to the Department of Corrections, or a combination of the two.

Individuals convicted of a misdemeanor do not qualify for the credit if they were incarcerated in a county or municipal jail for at least 180 days of the 12-month period ending on June 30 of the tax year.

Individuals adjudicated for an offense that would constitute a misdemeanor if committed by an adult do not qualify for the credit if they were incarcerated in a county or municipal jail for at least 180 days of the 12-month period ending on June 30 of the tax year.

Individuals under 18 years of age who were adjudicated for an offense that would constitute a felony if committed by an adult do not qualify for the credit if they were committed to the Department of Human Services for at least 180 days of the 12-month period ending on June 30 of the tax year.



Amount of the credit

The allowable credit depends on the qualifying individual’s filing status and adjusted gross income for the tax year. The adjusted gross income considered in determining the amount of the credit is the combined total of the following amounts:

- The individual’s federal adjusted gross income for the tax year;
- The individual’s social security benefits, if any, excluded from their federal adjusted gross income; and
- The individual’s non-Colorado state and local bond interest, if any, required as an addition on their Colorado income tax return (see Part 3 of the [Colorado Individual Income Tax Guide](#)).

The following tables reflect the credit amounts allowed for tax years 2021 and 2022 based on the individual’s filing status and adjusted gross income. For tax year 2023, the credit is a flat amount for all qualifying individuals, as described below.

Credit Amounts for Tax Year 2021

<i>Adjusted Gross Income</i>	<i>Credit for Single Filers</i>	<i>Credit for Joint Filers</i>
\$44,000 or less	\$37	\$74
\$44,001 - \$88,000	\$49	\$98
\$88,001 - \$139,000	\$56	\$112
\$139,001- \$193,000	\$68	\$136
\$193,001- \$246,000	\$74	\$148
\$246,001 or more	\$117	\$234

Credit Amounts for Tax Year 2022

<i>Adjusted Gross Income</i>	<i>Credit for Single Filers</i>	<i>Credit for Joint Filers</i>
\$48,000 or less	\$153	\$306
\$48,001 - \$95,000	\$208	\$416
\$95,001 - \$151,000	\$234	\$468
\$151,001- \$209,000	\$285	\$570
\$209,001- \$268,000	\$300	\$600
\$268,001 or more	\$486	\$972

Credit amount for tax year 2023

For tax year 2023, the credit amount for each qualifying individual is \$800. If two qualifying individuals file a joint return, they may claim a total credit of \$1,600.



Claiming the credit

Qualifying individuals may claim the credit by filing a [Colorado Individual Income Tax Return \(DR 0104\)](#) or a [Colorado PTC Application \(DR 0104PTC\)](#). The due date for claiming the credit depends on whether the individual has Colorado taxes withheld from their wages or is required to file a Colorado return. If the allowable credit exceeds the qualifying individual's tax liability, the excess will be refunded to them.

A qualifying individual must file their Colorado income tax return (DR 0104) by the extended due date (generally October 15th) to claim the credit if either of the following conditions apply:

- they had Colorado income tax withheld from their wages during the tax year; or
- they are required to file a Colorado return, either because they have a Colorado income tax liability or because they are required to file a federal income tax return for the tax year.

The credit may not be claimed on any original income tax return filed after the extended due date.

A qualifying individual who does not have any Colorado wage withholding and is not required to file a Colorado income tax return for the tax year must file either their Colorado income tax return (DR 0104) or PTC application (DR 0104PTC) by the original due date (generally April 15th) to claim the credit. The credit may not be claimed on any original income tax return filed after the extended due date. A qualifying individual who claims the credit on their Colorado return (DR 0104) cannot also claim the credit on a PTC application (DR 0104PTC).

Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to the state sales tax refund credit. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

Statutes and regulations

- § 39-22-2003, C.R.S. State sales tax refund - offset against state income tax - qualified individuals.
- Rule 39-22-2003. State Sales Tax Refund.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Tax.Colorado.gov/TABOR](https://tax.colorado.gov/TABOR)
- [Tax.Colorado.gov/individual-income-tax-forms](https://tax.colorado.gov/individual-income-tax-forms)
- [Colorado Individual Income Tax Return \(DR 0104\)](#)
- [Tax.Colorado.gov/ptc-rebate-forms](https://tax.colorado.gov/ptc-rebate-forms)
- [Colorado PTC Application \(DR 0104PTC\)](#)