**AGENDA**

**Stakeholder Workgroup on Colorado Employee Withholding Certificate**

October 26, 2020, at 10:00 A.M

Zoom Meeting ID: 870 8667 1871

Phone Number: 1 (669) 900-6833

The Colorado Department of Revenue, Division of Taxation, is convening a stakeholder workgroup to discuss the proposed new and revised wage withholding tax forms that will provide employees with the ability to adjust their Colorado wage withholding according to their specific tax situation.

In addition to other matters the Department may open for discussion, the following items are scheduled for consideration:

* Welcome and Introductions
* Topics for Discussion. The Department intends to seek input on specific topics, including those listed below, but encourages stakeholders to suggest additional topics for discussion. The Department will solicit comments and suggestions on each individual form.
  + [*Draft Form DR 0004*](https://tax.colorado.gov/sites/tax/files/documents/Form_DR_0004_DRAFT.pdf)*. Colorado Employee Withholding Certificate*
    - The purpose of this new form is to provide employees with the ability to adjust their Colorado wage withholding according to their specific tax situation.
    - For most employees, completing this form will likely increase take-home pay, reduce Colorado withholding, and reduce Colorado income tax refunds. However, if too little is withheld, they could owe tax and even a penalty when they file their return.
    - Line 2 gives employees flexible options to reduce their withholding according to their number of jobs, additional federal deductions, and/or the new Colorado child tax credit.
    - Line 3 formalizes the existing provision on form DR 1098 for employees to request additional withholding. They may use Worksheet 2 to calculate this amount for their other non-wage income.
    - Colorado form DR 0004 is optional for employees, but IRS Form W-4 is still required for new employees. An employee may adjust their withholding at any time by completing a new withholding certificate. They should consider doing that if they have significant changes in their tax situation.
    - Additional Stakeholder Input
  + [*Draft Form DR 1098*](https://tax.colorado.gov/sites/tax/files/documents/Form_DR_1098_DRAFT.pdf)*. Colorado Withholding Worksheet for Employers*
    - The purpose of revising this form is to include directions for calculating wage withholding based on an employee’s form DR 0004.
    - The calculation steps are the same as before; form DR 0004 just provides two amounts to plug into it.
      * Step 2a uses the amount from Form DR 0004 Line 2, if it is provided. Otherwise, the default amounts based on filing status are the same as before.
      * Step 2e formalizes the provision for an employee to request additional withholding by using form DR 0004 Line 3.
    - If an employee completes form DR 0004, the employer must use the amounts the employee entered. A new IRS Form W-4 by itself would override a previous form DR 0004.
    - The electronic version of this form, the *Withholding Worksheet Calculator*, will continue to be available for download on the Department’s website.
    - Additional Stakeholder Input
* Other comments or issues for consideration
* Adjourn

We would appreciate your feedback to help us measure and improve the success of the rulemaking program and other stakeholder meetings. If you participate in this meeting, we invite you to complete a [short survey](https://docs.google.com/forms/d/e/1FAIpQLSfwH2HFlbE7ND9LxLurvIbp7X8dnoG65W8VDZ8TPrBRZ9EBKw/viewform). Follow the link, and choose the "I participated in the Rulemaking Process (Announcement, Stakeholder Meeting, or Hearing)" option.