

Return to [Employers Handbook](#) / [Unemployment Tax](#) / [Unemployment Benefits](#) / [CDLE](#)

TAX

WHO MUST PAY UNEMPLOYMENT INSURANCE TAX?

An employer is required to pay unemployment insurance tax if he or she:

- | Employs and pays one worker. This does not apply to an employer who employs agricultural labor or domestic workers, or to an employer which is a nonprofit 501 (c) (3) organization. (See agricultural, domestic, and nonprofit 501 (c)(3) organization criteria below.)
- | Voluntarily elects to participate in the Unemployment Insurance (UI) Program.
- | Acquires all of the Colorado trade, business, organization, or acquires a substantial portion of the assets from a predecessor employer.
- | Acquires part of the organization, trade, or business of an employer which, if considered separately, would be an employer as defined in the law.
- | Is an employing unit which is subject to the *Federal Unemployment Tax Act (FUTA)*.
- | Is a religious, educational, or charitable nonprofit organization described in the *Federal Internal Revenue Code* Section 501 (c)(3) and has four or more employees for 20 weeks during the calendar year, even though exempt from federal unemployment taxes under FUTA, Section 3306 (c)(8).
- | Is a state agency, state-operated hospital or school of higher education, or a political subdivision of the state.
- | Employs domestic help in a private home and pays cash wages of \$1,000 or more to one or more workers in any calendar quarter. This provision also applies to local college clubs and/or local chapters of a college fraternity or sorority.
- | Is an employer of agricultural labor and pays either cash wages of \$20,000 or more to one or more workers in any one calendar quarter, or employs ten workers for 20 weeks during the calendar year.
- | NOTE: Any person who is a member of a crew furnished by a crew leader to perform farm labor for any other person shall be treated as an employee of the crew leader.

A crew leader is an individual who:

- a. Furnishes people to perform farm labor for another person.
- b. Pays, either on his or her own behalf or on behalf of another person, the people furnished by him or her for farm labor.
- c. Has not made a written agreement with another person under which the farm workers are designated as employees of that person.

Whenever an employer becomes liable for the first time in a given year, the employer is liable for the tax starting with the first paid payroll in that year.

WHICH WORKERS ARE REQUIRED TO BE IN COVERED EMPLOYMENT FOR UNEMPLOYMENT INSURANCE?

Generally, an individual who is paid wages and performs a service for an employer who is required to pay the unemployment insurance tax is in covered employment. However, there are specific exemptions

under the law which are explained in the section "Which Workers Are Not Covered by Unemployment Insurance?" In addition, *FUTA* Section 3306 (i) requires the following workers to be in covered employment:

- 1 A driver who is an agent of the business or who is paid on a commission and delivers meat, vegetable, fruit or bakery products, beverages other than milk, laundry, or dry cleaning.
- 1 A full-time outside salesperson who turns in orders from wholesalers, retailers, contractors or operators of hotels, restaurants, or other similar establishments. The goods sold must be merchandise for resale or supplies for use in the buyer's business operation. The work performed for you must be the salesperson's principle business activity.
- 1 A corporate officer.

WHICH WORKERS ARE NOT COVERED BY UNEMPLOYMENT INSURANCE?

Workers are not employees covered by unemployment insurance if they are:

- 1 Farm workers for an employer who did not pay cash wages of \$20,000 or more to one or more workers in a calendar quarter, or did not employ ten or more workers for 20 weeks during a calendar year.
- 1 Domestic servants whose employer has not paid cash wages of \$1,000 or more to one or more workers in a calendar quarter.
- 1 Licensed real estate salesmen or direct sellers in the trade or business of selling consumer products in a home or in other than a permanent retail establishment, if:
 - a. All fees, whether or not paid in cash, are directly related to sales or the performance of services, instead of the number of hours worked; and
 - b. The services are performed according to a written contract that provides the person will not be treated as an employee for federal tax purposes.
- 1 Insurance agents who are paid by commission only.
- 1 Newspaper carriers under 18 years of age or news vendors.
- 1 Students or spouses of students, employed by a school, college, or university through a financial aid program for the education of the students at that institution.
- 1 Students participating in work-study or cooperative- education programs.
- 1 Patients performing services for a hospital.
- 1 Spouses employed by a sole-proprietor spouse.
- 1 Persons under 21 years of age, employed by their father or mother operating a sole-proprietorship business.
- 1 Employees of an organization exempt from income tax in Section 501 (a) of the *Internal Revenue Code* who earn less than \$50 a calendar quarter. However, this exemption does not apply to organizations described in 401 (a) of the *Internal Revenue Code*.
- 1 Elected officials of a state or political subdivision.
- 1 Members of a legislative body or of the judiciary of a state or political subdivision.
- 1 Members of the State National Guard or Air National Guard.
- 1 Temporary workers for a government agency performing services during a fire, storm, snow, earthquake, flood, or similar emergency.
- 1 Persons employed in a major, nontenure policy-making or advisory position, or in a policy-making or advisory position on behalf of a government entity, which requires working less than eight hours per week.
- 1 Railroad workers insured by the *Railroad Retirement Tax Act*.
- 1 Workers employed by a church or church school.

- l Drivers of taxis or limousines.
- l Land professionals.

WHICH PAYMENTS ARE CONSIDERED WAGES FOR UNEMPLOYMENT INSURANCE?

Payments **included** in the definition of wages for unemployment insurance are:

- l Any payment defined as wages in the *FUTA*.
- l Payments for personal services, including anything other than cash which has cash value. However, the payments to an agricultural worker or domestic worker must be in cash to be considered wages.
- l Tips which are made known to the employer through a written statement furnished to the employer.
- l An employee contribution under a Section 401 (k) plan of the *Federal Internal Revenue Code*.
- l Payments due to sickness or accident disability paid to an employee in the first six calendar months following the last calendar month in which the employee worked for the employer.
- l Employee contributions to a simplified employee pension (SEP) plan in Section 219 (b)(2) of the *Federal Internal Revenue Code*.
- l Payments made by a public school or a 501 (c)(3) nonprofit organization into an annuity contract described in Section 403 (b) of the *Federal Internal Revenue Code*, if the purchase of the contract is made by reason of a salary-reduction agreement.
- l Payments made by a governmental entity into a deferred compensation plan described in Section 414 (h)(2) of the *Federal Internal Revenue Code*, if the purchase of the contract is made by reason of a salary-reduction agreement.

Payments which are **not included** in the definition of wages for unemployment insurance are:

- l Employer matching contributions under a 401(k) plan of the *Federal Internal Revenue Code*.
- l An employer contribution made on behalf of an employee or any dependents into a plan which makes provisions for payments due to sickness, accident, disability, medical or hospitalization expense, or death.
- l Employer matching contributions to a simplified employee pension (SEP) plan in Section 219 (b) (2) of the *Federal Internal Revenue Code*.
- l Payments made by a governmental entity into a deferred compensation plan described in Section 3121 (v) of the *Federal Internal Revenue Code*.
- l Payments made under a cafeteria plan described in Section 125 of the *Federal Internal Revenue Code*.
- l Payments for moving expenses made to or on behalf of an employee, if a deduction is allowed in Section 217 of the *Federal Internal Revenue Code*.
- l Amounts paid or incurred by an employer for a dependent care plan provided to an employee in Section 129 of the *Federal Internal Revenue Code*.
- l Amounts paid or incurred by an employer for educational assistance programs provided to an employee in Section 127 of the *Federal Internal Revenue Code*.
- l The value of meals or lodging furnished for the convenience of the employer, if such items are excluded from income in Section 119 of the *Federal Internal Revenue Code*.

WHO IS EMPLOYING THE WORKER?

Ordinarily, the employer of a worker is the organization for which the employee performs services. However, there are situations where the organization receiving the benefit of the worker's services is not

considered to be the employer for Colorado unemployment insurance tax purposes. This includes an employee who performs services through a temporary-help-contracting firm, employee leasing company, or an agricultural crew leader. There could also be situations where it is unclear who is employing a worker.

Employee Leasing Company, Coemployers, or Temporary-Help-Contracting Firm

A worker can have two employers for the same services when paid by a temporary-help-contracting firm or employee leasing company and performing services for a worksite employer. The temporary-help-contracting firm or employee leasing company and the worksite employer are called coemployers.

An employee leasing company or a portion of any business that meets the following two conditions is considered to be in the business of employee leasing:

1. Provide services to a worksite employer under a written contract which provides that it will procure or receive responsibilities for specified employees of a worksite employer.

-and-

2. Designates itself as the employer of such employees and retains the right of direction and control of such employees with regard to such responsibilities with the intent to employ the specified employees on a long-term basis and not assign the employees to a series of limited-term assignments.

Such responsibilities include the right to:

- 1 Assign employees to the worksite employer's locations.
- 1 Set the employee's rate of pay.
- 1 Pay the employee from its own accounts.
- 1 Discharge, reassign, or hire employees for the worksite and itself.
- 1 Report, withhold, and pay any applicable taxes with respect to the employees wages.
- 1 Aggregate all employees for the purpose of sponsoring and administering workers' compensation plans, and any employee benefit plan.
- 1 Maintain employees' records.
- 1 Provide programs such as professional guidance including employment training, safety, and compliance matters.
- 1 Address complaints, claims, or requests related to the employees.
- 1 Such specified employees must know and consent to the staffing contract.

Since temporary-help contracting is characterized by a series of limited-term assignments of an employee to other organizations, it is not considered to be employee leasing. However, a portion of a temporary-help-contracting firm's business can be considered as employee-leasing activity if that portion of the business meets the above two conditions.

If a business engages in employee-leasing activity and fails to file the reports or taxes due to the Division, the worksite employer becomes liable for the reports and taxes due for the employees who performed service for them. The worksite employer is not liable when contracting for temporary help. For this reason, it is important for worksite employers to be aware of potential liability for unemployment taxes when contracting for leased employees.

Agricultural Crew Leader

Agricultural labor furnished by a crew leader to perform service on a farm can be treated as employees of the crew leader. However, if the crew leader:

- 1 Does not hold a valid certificate of registration under the federal *Migrant and Seasonal Agricultural Worker Protection Act*; or
- 1 Does not provide tractors, mechanized harvesting or crop-dusting equipment, or any other mechanized equipment which substantially all of the workers operate or maintain;

the farm operator will be considered to be the employer.

Assistants

Assistants hired and paid by a worker are considered to be the employees of the employer for whom the service is being performed, as long as the employer has actual or constructive knowledge of the work.

WHO IS AN EMPLOYEE AND NOT AN INDEPENDENT CONTRACTOR?

Concerning independent contractors, Section 8-70-115, *Colorado Revised Statutes* as amended, states:

Employment - "Federal Unemployment Tax Act." (1)(a) "Employment", subject to other provisions of this subsection (1), includes any service performed prior to January 1, 1972, which was employment as defined in this subsection (1) prior to such date and service performed after December 31, 1971, by an employee as defined in section 3306(i) of the "Federal Unemployment Tax Act" and any service performed after December 31, 1977, by an employee, as defined in subsection (o) of section 3306 of the "Federal Unemployment Tax Act", including service in interstate commerce.

(b) Notwithstanding any other provision of this subsection (1) and notwithstanding the provisions of section 8-80-101, service performed by an individual for another shall be deemed to be employment, irrespective of whether the common-law relationship of master and servant exists, unless and until it is shown to the satisfaction of the division that such individual is free from control and direction in the performance of the service, both under his contract for the performance of service and in fact; and such individual is customarily engaged in an independent trade, occupation, profession, or business related to the service performed. For purposes of this section, the degree of control exercised by the person for whom the service is performed over the performance of the service or over the individual performing the service, if exercised pursuant to the requirements of any state or federal statute or regulation, shall not be considered.

(c) To evidence that such individual is engaged in an independent trade, occupation, profession, or business and is free from control and direction in the performance of the service, the individual and the person for whom services are performed may either show by a preponderance of the evidence that the conditions set forth in paragraph (b) of this subsection (1) have been satisfied, or they may demonstrate in a written document, signed by both parties, that the person for whom services are performed does not:

(I) Require the individual to work exclusively for the person for whom services are performed; except that the individual may choose to work exclusively for the said person for a finite period of time specified in the document;

(II) Establish a quality standard for the individual; except that such person can provide plans and specifications regarding the work but cannot oversee the actual work or instruct the individual as to how the work will be performed;

(III) Pay a salary or hourly rate but rather a fixed or contract rate;

(IV) Terminate the work during the contract period unless the individual violates the terms of the contract or fails to produce a result that meets the specifications of the contract;

(V) Provide more than minimal training for the individual;

(VI) Provide tools or benefits to the individual; except that materials and equipment may be supplied;

(VII) Dictate the time of performance; except that a completion schedule and a range of mutually agreeable work hours may be established;

(VIII) Pay the individual personally but rather makes checks payable to the trade or business name of the individual; and

(IX) Combine his business operations in any way with the individual's business, but instead maintains such operations as separate and distinct.

(d) A document may satisfy the requirements of paragraph (c) of this subsection (1) if such document demonstrates, by a preponderance of the evidence, the existence of such factors listed in subparagraphs (I) to (IX) of paragraph (c) of this subsection (1) as are appropriate to the parties' situation.

(2) Where the parties use a written document pursuant to paragraph (c) of subsection (1) of this section, such document may be the contract for performance of service or a separate document. Such document shall create a rebuttable presumption of an independent contractor relationship between the parties, where such document contains a disclosure, in type which is larger than the other provisions in the document or in boldface or underlined type, that the independent contractor is not entitled to unemployment insurance benefits unless unemployment compensation coverage is provided by the independent contractor or some other entity, and that the independent contractor is obligated to pay federal and state income tax on any moneys paid pursuant to the contract relationship.

(3) Where the parties use a written document pursuant to paragraph (c) of subsection (1) of this section, and one of the parties is a professional whose license to practice a particular occupation under the laws of the state of Colorado requires such professional to exercise a supervisory function with regard to an entire project, such supervisory role shall not affect such professional's status as part of the independent contractor relationship.

The definition of employment in the unemployment compensation act is broad and inclusive and is not limited by the meaning of the master-servant relationship as used by the Internal Revenue Service.

If there is an employer-employee relationship, it makes no difference how it is described. It does not matter if the individual is called an employee, partner, coadventurer, subcontractor, agent, contract laborer, or independent contractor. It does not matter how the payments are measured or what they are called or whether the individual is a full-time, part-time, or a temporary employee.

The following factors may be considered in determining the relationship:

- 1 Such individual is free from control and direction in the performance of the service, both under his contract for the performance of service; and
- 1 Such individual is customarily engaged in an independent trade, occupation, profession, or business related to the service performed.

The weight given to the factors is not always constant. The degree of importance may vary depending on the occupation being considered. All factors do not apply to every situation and the order in which the factors appear is not significant.

1. Instructions

A person who is required to comply with instructions about when, where, and how to work is ordinarily an employee. Some employees may work without receiving instructions because they are highly proficient in their line of work and can be trusted to work to the best of their abilities. However, the control factor is present if the employer has the right to instruct. The instructions may be oral or written procedures which show how the desired result is to be accomplished.

2. Training

Training of a person by an experienced employee, by correspondence, by required attendance at meetings, or other methods involve control because it is an indication that the employer wants the services performed in a particular method or manner. This is especially true if the training is given periodically or at frequent intervals. An independent contractor ordinarily uses his or her own methods and receives no training from the purchaser of services.

3. Integration of Services

Integration of another person's services into the business operations generally shows that the person is subject to direction and control. In determining whether integration exists, the scope and function of the business are identified and then a determination is made as to whether the services of the individual are merged into it. When the success or continuation of a business depends upon the performance of certain kinds of services, the people who perform those services may be subject to a certain amount of control by the owner of the business.

4. Personal Services

When the services must be rendered personally, it indicates that the employer is interested in the methods as well as the results. The employer is interested not only in getting a desired result, but also in who does the job. Lack of control may be indicated when an individual has the right to hire a substitute without the employer's knowledge.

5. Assistants

Hiring, supervising, and paying assistants by the employer generally shows control over all persons on the job. Sometimes one worker may hire, supervise, and pay the other workers. This person may do so as the result of a contract in which the worker agrees to provide materials and labor and accepts the responsibility only for the attainment of a result. In this case, the person may be an independent contractor. On the other hand, if that person does so at the direction of the employer, the worker may be acting as an employee in the capacity of a foreman or representative of the employer.

6. Continuing Services

The existence of a continuing relationship between an individual and the person for whom the services are performed is a factor indicating the existence of an employer-employee relationship. Continuing services may include work performed at frequent, recurring intervals, either on-call or whenever the work is available. If the arrangement requires continuing or recurring work, the relationship is considered permanent. It makes no difference if the services are rendered on a part-time basis or are seasonal in nature, or are only for a short time.

7. Set Hours

The establishment of set hours of work by the employer is a factor indicative of control. This condition bars the worker from controlling his or her own time, which is a right of an independent contractor. When fixed hours are not practical because of the nature of the occupation, a requirement that the worker work at certain times is an element of control.

8. Full-Time Services

The worker must devote full time to the employer's business. The employer has control over the amount of time the worker spends working. An independent contractor, on the other hand, is free to work when and for whom he or she chooses. Full-time employment does not necessarily mean an 8-hour day or a 5-day week. Its meaning may vary with the intent of the parties or the nature of the occupation. These conditions should be considered in defining "full-time." Full-time services may be required even though not specified verbally or in writing. For example, workers may be required to produce a minimum volume of business which compels them to devote all of their working time to that business.

9. Location of Services

Doing the work on the employer's premises is not control in itself. However, it does imply that the employer has control, especially if the work could be done elsewhere. A person working in the employer's place of business is physically within the employer's direction and supervision. The use of desk space, telephone, and stenographic services provided by an employer places the worker within the employer's direction and supervision. The fact that work is done off the premises does indicate some freedom from control. However, it does not by itself mean that the worker is not an employee. In some occupations, the services are necessarily performed away from the premises of the employer. This is true for employees of construction contractors.

10. Set Order of Services

If a worker must perform services in an order or sequence set by the employer, it shows that the worker may be subject to control. This person is not free to follow his or her own pattern of work, but must follow the established routines and schedules of the employer. Often, because of the nature of an occupation, the employer does not set the order of the services or sets them infrequently. It is sufficient to show control, however, if the employer retains the right to do so.

11. Reports

Control is indicated if the worker is compelled to account for his or her actions by verbal or written reports submitted to the employer.

12. Payment for Services

An employee is usually paid by the hour, week, or month. Independent contractors are paid a lump sum agreed upon for the total job. The guarantee of a minimum salary or the granting of a drawing account at stated intervals with no requirement for repayment of the excess over earnings tends to indicate the existence of an employer-employee relationship.

13. Expenses

Payment by the employer for the worker's business or traveling expense is a factor indicating control over the worker. Conversely, a lack of control is indicated when the worker is paid on a job basis and has to take care of all incidental expenses.

14. Tools and Materials

The furnishing of tools, materials, etc., by the employer is indicative of control over the worker. When the worker furnishes the tools, materials, etc., it indicates a lack of control but consideration must be given to the fact that in some occupational fields, it is customary for employees to use their own hand

tools.

15. Investment

A person who invests a significant amount into the facilities used to perform services for another tends to show an independent status. On the other hand, the furnishing of all necessary facilities by the employer indicates the absence of an independent status on the part of the worker. Facilities include equipment on the premises necessary for the work, but not tools, instruments, clothing, etc., that are provided by employees as a common practice in their particular trade.

16. Profit/Loss

A person who is in a position to realize a profit or suffer a loss as a result of his or her services is generally an independent contractor, while the individual who is an employee is not in such a position. Opportunity for profit or loss may be established by one or more of a variety of circumstances; for example, the individual:

- 1 Hires, directs, and pays assistants.
- 1 Has personal office, equipment, materials, or other facilities for doing the work.
- 1 Has continuing and recurring liabilities or obligations and the success or failure depends on the relation of receipts to expenditures.
- 1 Agrees to perform specific jobs for prices agreed upon in advance and pays expenses incurred in connection with the work.

17. Multiple Independent Services

A person that works for a number of persons or firms at the same time can indicate an independent status, if the worker is free from control by any of the firms. However, it is possible that a person may work for a number of people or firms and still be an employee of one or all of them.

18. Offer of Services to General Public

The fact that a person makes services available to the general public is usually indicative of an independent contractual relationship. An individual may offer services to the public in a number of ways. The individual may have his or her own office and assistant; hang out a "shingle" in front of the home or office; hold business licenses; be listed in business directories or maintain business listings in telephone directories; or advertise in newspapers, trade journals, magazines, etc.

19. Discharge Without Liability

The right to discharge is an important factor in indicating that the person possessing the right is an employer. An independent contractor, cannot be fired as long as he or she produces a result which measures up to the contract specifications. Sometimes an employer's right to discharge is restricted because of a contract with a labor union. Such a restriction does not detract from the existence of an employment relationship.

20. Quit Without Liability

An employee has the right to end the relationship with the employer at any time without incurring liability for breach of contract. An independent contractor usually agrees to complete a specific job, is

responsible for its satisfactory completion, or is legally obligated to make good for failure to complete the job.

A complete list of determining factors is impossible. The facts in each case determine who are employees or independent contractors. In doubtful cases, a Form UITA-9, Worker/Contractor Status Questionnaire (Firm), and a Form UITA-9(a), Worker/Contractor Status Questionnaire (Worker), must be submitted to the Colorado Department of Labor and Employment, Division of Employment and Training. Based on these forms and information obtained from the workers and the firm, an official ruling will be made whether an individual is an employee or independent contractor.

HOW MUST WORKERS BE NOTIFIED ABOUT UNEMPLOYMENT INSURANCE?

Covered employers are required to display Form 502, Notice to Workers, where all employees can see it. The Division mails this form to every new employer. Additional posters may be obtained from the Colorado Department of Labor and Employment, Division of Employment and Training, Liability Unit, P.O. Box 8789, Denver, Colorado 80201-8789; telephone (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

TO WHICH STATE MUST A MULTI-STATE WORKER BE REPORTED?

When an employee works in Colorado as well as in another state or states, the following criteria determines whether his or her services are Colorado employment:

Location — An employee's services are considered Colorado employment if the work is in Colorado or most of the work is in Colorado with incidental services performed out-of-state. Service is considered incidental if it is temporary, transitory, or consists of isolated transactions.

Base of Operations — Base of operations means the place from which the employee starts work and to which he or she usually returns to perform the terms of the contract with the employer. An individual is considered a Colorado employee if some of an employee's services are performed in this state and the base of operations is here.

Place of Direction and Control — When part of an employee's services are performed in the state and the place from which the employer exercises general direction and control over the employee is Colorado, he or she is considered a Colorado employee.

Residence of Employee — An individual is considered a Colorado employee if the employee performs some services in Colorado and resides in Colorado.

WHAT IS THE TAXABLE WAGE BASE?

Unemployment insurance taxes must be paid on the first \$10,000 (before deductions) paid each employee during each calendar year.

HOW IS A TAX RATE DETERMINED?

The following is a list of the types of rates that are assigned to a business depending on the status of the business:

Standard Tax Rate — Effective July 1, 1997, an employer newly subject to unemployment tax will

pay at the standard rate of 1.7 percent (.017) or at a computed rate, whichever is higher. Also effective July, 1997, a newly subject employer cannot develop an experience rating until the account has been chargeable for benefits 12 consecutive calendar months prior to the July 1 computation date. (The experience rating computed July 1 becomes effective the following January 1.)

Industry Rate — Effective January 1, 1992, newly subject employers in the construction industry are assigned an average industrial rate based on the 2-digit industry code (codes 15, 16, and 17) found in the *Standard Industrial Classification Manual*.

Tax Surcharge — A tax surcharge for benefits paid out and not chargeable to any specific, active employer will be added to employers' rates. These benefits are divided by the total taxable payroll estimated to be paid by all employers in the next calendar year. This resulting percentage, rounded to the nearest one-tenth of one percent, is the surcharge tax rate and is added to an employer's standard or computed tax rate. The surcharge does not affect an employer who has a computed rate and no benefits charged to his or her account.

Benefits are not charged to any one employer, but the employer "pool" as a whole, when:

- 1 The wages earned by the claimant are less than \$1,000.
- 1 The Colorado share of an out-of-state claim exceeds the one-third maximum of the weekly wage permitted by Colorado law. The difference between the one-third maximum and the Colorado share is the amount charged to the employer pool.
- 1 The claimant quit his or her construction job for another construction job under certain circumstances.
- 1 The claimant voluntarily quit or was discharged, and was disqualified for all but one benefit payment. This payment is charged to the employer pool unless the employer is reimbursable.

Computed Rate — Employers are eligible for a computed rate, based on the reserve in the employer's experience rating account and the balance in the unemployment insurance trust fund on July 1 of each year.

The following example shows how a rate is computed:

Total taxes paid before July 31 for all past periods were (A) \$2,803.29

Total benefits charged to your account for unemployment before July 1 were (B) \$1,747.00

The excess is found by subtracting total benefits (B) from total taxes (A) and would be (C) \$1,056.29

The average annual payroll for the appropriate number of fiscal years ending June 30 was (D) \$19,897.00

The percent of excess would be (C) divided by (D), which equals 5.31, or rounded to 5%.

NOTE: Section 8-76-103 (3)(b)(II)(A) of the *CESA* defines percent of excess as the percentage which results from dividing the excess of taxes paid over the benefits charged by the average annual payroll, computed to the nearest 1%.

To compute total taxable wages from July 1, 1993 through July 31, 1996 (36 months), the total taxable

wages are divided by 36 and multiplied by 12 to determine the average annual payroll. The percent of excess is then computed by dividing the average annual payroll (in this example, \$19,897) into the excess of taxes over benefits (\$1,056.29). The result is 5.31, rounded to 5%. As an example, if the balance of the unemployment insurance trust fund on June 30 is \$98 million plus and the percent of excess is 5%, the rate for the next calendar year would be .013. (See the table on page 12 of the printed document)

Employers are notified annually of the rate for the current calendar year on Form UITR-7, Notice of Employer's Tax Rate. Form UITR-7 shows the employer account number, taxes paid, benefits paid, average annual payroll, percent of excess, and the rate. It also gives information on making a voluntary tax payment. If there are questions on any item on the notice, the law requires written notification within 15 calendar days after the notice was mailed.

The effect of an unemployment insurance claim for benefits on the experience rate cannot be determined until the claim is terminated. However, a potential effect can be determined immediately. The Division notifies employers of the potential charge to an account on Form UIF-290, Notice of Wages Reported/Potential Charge. The potential charge is approximately one-third of the wages the claimant earned during the base period of the claim. The base period is the first four of the last five completed calendar quarters preceding the date the claim is filed. The wage credits earned by the claimant during this period are used to determine the weekly benefit amount.

Employers can estimate the potential effect on the experience rating account by adding the potential charge to any benefits previously charged and then recomputing the rate. However, the fund balance may change on July 1 of the next computation date. The potential rate computed is based on the last available fund balance. The rate table is shown on the most recent Form UITR-7, Notice of Employer's Tax Rate.

501 (c)(3) Nonprofit Organizations or Political Subdivision — For employers on a reimbursement method of payment, "ORB" appears in the space for the rate on the quarterly tax report, Form UITR-1, and the yearly rate notice, Form UITR-7.

Solvency Tax Surcharge — A surcharge is assessed when the trust fund balance, as of June 30 of any year, is equal to or less than nine-tenths of 1 percent of the total wages reported by ratable employers for the calendar year, or the most recent available four consecutive quarters prior to the last computation date (June 30). This solvency tax surcharge is then added to all ratable employers' standard or computed tax rates beginning with the next calendar year. This surcharge can never exceed the rate schedule (see the solvency tax surcharge schedule on this page). The surcharge is not assessed on state agencies, political subdivisions, or nonprofit organizations that are reimbursable employers.

Solvency Tax Surcharge Tax Rate Schedule Positive Percent of Excess

Percent of Excess	Solvency Tax Surcharge	January 1, 1990, Rate Table
	Yearly Increment	Limit on Solvency Tax

+20 or more	.000	.002
+19 through +11	.001	.003
+10	.001	.004
+9	.001	.005
+8	.001	.006
+7	.001	.007
+6	.002	.008
+5	.002	.009
+4	.002	.010
+3	.003	.013
+2	.003	.016
+1	.004	.020
+0	.005	.024
Unrated	.006	.027

Negative Percent of Excess

Percent of Excess	Solvency Tax Surcharge	January 1, 1990, Rate Table
	Yearly Increment	Limit on Solvency Tax
-0	.006	.028
-1	.006	.029
-2	.006	.030
-3	.006	.031
-4	.006	.032
-5	.007	.033
-6	.007	.034
-7	.007	.035
-8	.007	.036
-9	.007	.037
-10	.008	.038
-11	.008	.039
-12	.008	.040
-13	.008	.041
-14	.008	.042
-15	.009	.043
-16	.009	.044
-17	.009	.045

-18	.009	.046
-19	.009	.047
-20	.010	.048
-21	.010	.049
-22	.010	.050
-23	.010	.051
-24	.010	.052
-25	.011	.053
More than - 25	.011	.054

TAX RATE SCHEDULE — POSITIVE EXCESS EMPLOYERS

Fund Level in Millions of Dollars

(B)

Percent of Excess	450 Million Plus	396 to 450 Million	342 to 396 Million	306 to 342 Million	270 to 306 Million	234 to 270 Million	198 to 234 Million	162 to 198 Million	126 to 162 Million	90 to 126 Million	More than Zero to 90 Million
+20 or more	.000	.000	.000	.000	.001	.002	.003	.003	.003	.003	.003
+19	.000	.000	.000	.001	.002	.003	.003	.003	.003	.003	.003
+18	.000	.000	.000	.001	.002	.003	.003	.003	.003	.003	.003
+17	.000	.000	.001	.001	.003	.003	.003	.003	.003	.003	.003
+16	.000	.000	.001	.001	.003	.003	.003	.003	.003	.003	.004
+15	.000	.001	.001	.001	.003	.003	.003	.003	.003	.003	.005
+14	.000	.001	.001	.001	.003	.003	.003	.003	.003	.004	.006
+13	.001	.001	.001	.001	.003	.003	.003	.003	.004	.005	.007
+12	.001	.001	.001	.001	.003	.003	.003	.004	.005	.006	.008
+11	.001	.001	.001	.001	.003	.003	.004	.005	.006	.007	.009
+10	.001	.001	.001	.002	.003	.004	.005	.006	.007	.008	.010

+9	.001	.001	.002	.003	.004	.005	.006	.007	.008	.009	.011
+8	.001	.002	.003	.004	.005	.006	.007	.008	.009	.010	.012
+7	.002	.003	.004	.005	.006	.007	.008	.009	.010	.011	.013
+6	.002	.004	.005	.006	.007	.008	.009	.010	.011	.012	.014
+5	.003	.005	.006	.007	.008	.009	.010	.011	.012	.013	.015
+4	.004	.006	.007	.008	.009	.010	.011	.012	.013	.014	.016
+3	.007	.009	.010	.011	.012	.013	.014	.015	.016	.017	.019
+2	.011	.012	.013	.014	.015	.016	.017	.018	.019	.020	.022
+1	.015	.016	.017	.018	.019	.020	.020	.021	.022	.023	.025
+0	.020	.021	.022	.023	.023	.024	.024	.025	.025	.026	.027
Unrated	.027	.027	.027	.027	.027	.027	.027	.027	.027	.027	.027



TAX RATE SCHEDULE — NEGATIVE EXCESS EMPLOYERS

Fund Level in Millions of Dollars

(C)

Percent of Excess	450 Million Plus	396 to 450 Million	342 to 396 Million	306 to 342 Million	270 to 306 Million	234 to 270 Million	198 to 234 Million	162 to 198 Million	126 to 162 Million	90 to 126 Million	More than Zero to 90 Million
-0	.028	.028	.028	.028	.028	.028	.028	.028	.028	.028	.028
-1	.029	.029	.029	.029	.029	.029	.029	.029	.029	.029	.029
-2	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030
-3	.031	.031	.031	.031	.031	.031	.031	.031	.031	.031	.031
-4	.032	.032	.032	.032	.032	.032	.032	.032	.032	.032	.032
-5	.033	.033	.033	.033	.033	.033	.033	.033	.033	.033	.033
-6	.034	.034	.034	.034	.034	.034	.034	.034	.034	.034	.034
-7	.035	.035	.035	.035	.035	.035	.035	.035	.035	.035	.035
-8	.036	.036	.036	.036	.036	.036	.036	.036	.036	.036	.036

-9	.037	.037	.037	.037	.037	.037	.037	.037	.037	.037	.037
-10	.038	.038	.038	.038	.038	.038	.038	.038	.038	.038	.038
-11	.039	.039	.039	.039	.039	.039	.039	.039	.039	.039	.039
-12	.040	.040	.040	.040	.040	.040	.040	.040	.040	.040	.040
-13	.041	.041	.041	.041	.041	.041	.041	.041	.041	.041	.041
-14	.042	.042	.042	.042	.042	.042	.042	.042	.042	.042	.042
-15	.043	.043	.043	.043	.043	.043	.043	.043	.043	.043	.043
-16	.044	.044	.044	.044	.044	.044	.044	.044	.044	.044	.044
-17	.045	.045	.045	.045	.045	.045	.045	.045	.045	.045	.045
-18	.046	.046	.046	.046	.046	.046	.046	.046	.046	.046	.046
-19	.047	.047	.047	.047	.047	.047	.047	.047	.047	.047	.047
-20	.048	.048	.048	.048	.048	.048	.048	.048	.048	.048	.048
-21	.049	.049	.049	.049	.049	.049	.049	.049	.049	.049	.049
-22	.050	.050	.050	.050	.050	.050	.050	.050	.050	.050	.050
-23	.051	.051	.051	.051	.051	.051	.051	.051	.051	.051	.051
-24	.052	.052	.052	.052	.052	.052	.052	.052	.052	.052	.052
-25	.053	.053	.053	.053	.053	.053	.053	.053	.053	.053	.053
More than	.054	.054	.054	.054	.054	.054	.054	.054	.054	.054	.054

-25

WHY SHOULD A VOLUNTARY TAX PAYMENT BE MADE?

An employer may lower a tax rate for a particular year by making a voluntary tax payment. Only employers with computed rates are eligible to make a voluntary tax payment. This payment **MUST** be made on or before March 14 to qualify for a rate reduction for that year. Any payments made under this provision are first applied to penalty, interest, and delinquent taxes. The Form UITR-7, which is mailed to each employer at the end of the calendar year, includes a formula for computing a voluntary tax payment. A voluntary tax payment must be accompanied by a letter stating the reason for submitting the check. For additional information or help in computing the amount of a voluntary tax payment, employers may call (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

HOW IS THE QUARTERLY TAX REPORT COMPLETED?

All items must be completed on the Form UITR-1, Unemployment Insurance Tax Report. The cents should not be eliminated when reporting these figures.

The monthly employment data reported on item 8 should be a count of all full-time and part-time workers in covered employment (subject to Colorado's unemployment insurance law), who worked

during the payroll period which includes the 12th of the month. If there is no employment in the payroll period, a zero should be entered.

"Wages Paid for Covered Employment" means all gross wages paid to an employee, whether paid in cash or other type of remuneration.

"Taxable Wages" means the first \$10,000 in gross wages paid to an employee during a calendar year. Employers who fail to enter the correct amount on Form UITR-1 may pay a higher tax to the State of Colorado and the federal government than is necessary.

Example of Computing Excess of \$10,000 — This example shows an employer who has an employee earning \$5,000 per quarter for the entire calendar year.

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Gross Wages	\$5,000	\$5,000	\$5,000	\$5,000
Excess of	\$10,000	\$ -0-	\$ -0-	\$5,000
Taxable Wages	\$5,000	\$5,000	\$ -0-	\$ -0-

HOW IS THE QUARTERLY WAGE REPORT COMPLETED?

The Form UITR-1(a), Unemployment Insurance Report of Worker Wages, must have:

- 1 The Colorado unemployment insurance employer account number.
- 1 The quarter and year being reported.
- 1 The employer's name and address.
- 1 An accurate social security number for each listed employee.
- 1 The gross wages for each employee.
- 1 The total wage amount for that page.

Other account numbers, such as the federal employer identification number (FEIN), Department of Revenue number, etc., should not be used. The total of all employees' gross wages must match the amount entered on item 9 of the UITR-1. Total gross wages are to be listed, not taxable wages. Each page must have the wage column totaled and the final page must be the total of all gross wages for the quarter. An incomplete or incorrect report may be considered a delinquent report and subject to the same penalties as if the employer had failed to submit a report.

The Unemployment Insurance Report of Worker Wages is available free of charge. It is designed with detachable one-half (½) inch pin-feed strips for personal computer printer use. To order continuation sheets, or for help with any questions on preparing the forms, contact Wage Correction, P.O. Box 8789, Denver, Colorado 80201-8789; telephone (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free), or complete the order form mailed quarterly with the tax and wage reporting forms.

Special Wage Reports for Seasonal Employers

Employers who have been granted seasonal status are furnished special wage forms for listing all seasonal workers. The seasonal print format is the same as the standard wage list. Seasonal wages may not be reported on forms other than those issued by the agency, and additional pages are available upon request.

HOW CAN PAPER REPORTS BE SCANNED PROPERLY?

Forms reporting UI tax and wage information are scanned on an optical character reader. Scanning success relies on the condition of the forms and the proper placement of the data.

The employer account number must be located in the optical character read (OCR) field. This is a white box surrounded by a blue border in the upper left portion of the form, approximately 2" from the top edge and approximately ½" from the left edge. The seasonal wage list print format requirements for scanning completion are identical.

For optimal speed in feeding through the scanner, documents must be sized 8½" x 11", printed on 24-pound bond paper, and undamaged.

To satisfy these requirements, employers must:

- 1 Machine print and return only original reports. The scanner will not read carbon copies, photocopies, or handprint.
- 1 Print the data with machines using 10-or 12- characters-per-inch with good ink quality. The 10-characters-per-inch is preferred whenever possible.
- 1 Correct errors with correction fluid or completely erase.
- 1 Place and format data correctly. Scannable data areas are shaded in blue. All information should be entered in the white space within the blue-shaded area.
- 1 Use either the forms distributed or approved by the Division. These are manufactured with drop-out ink not visible to the scanner, so only data entered is detected. Substitution forms not specifically manufactured for scanning, or preapproved and certified by the Division cannot be used.
- 1 Fold reports using original fold lines when mailing completed forms to us. Most employers are able to use the return envelope we provide.
- 1 Always enter dollars and cents in appropriate columns. The scanner is programmed to assure the last two characters are cents. When there are no cents, enter zeros (00) in the cents column not dashes (--).
- 1 The wage report should not be used to reflect adjusted wages or to report negative earnings. Adjustment forms are available for this purpose. To obtain these forms, employers may call (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

NOTE: If unable to type or machine print these reports, print entries neatly. While these forms are more costly to process, clear handprint will reduce key entry errors.

HOW CAN QUARTERLY WAGE INFORMATION BE REPORTED WITHOUT USING A PAPER REPORT?

Employers of 250 or more workers, reporting quarterly employee wage information, are encouraged to report on magnetic tape or diskette.

Hard-copy forms, UITSR-1(a), need not be submitted if reporting worker wages on magnetic tape or diskette; however, a supporting computer listing of the tape or diskette may be provided.

To submit wage data on magnetic tape or diskette, contact the Division at:

Colorado Department of Labor and Employment
Wage Correction Unit
P.O. Box 8789
Denver, Colorado 80201-8789

Phone: (303) 318-9100 (Denver-metro area) or
1-800-480-8299 (toll-free)

WHEN ARE QUARTERLY REPORTS AND TAXES DUE?

Employers are required to file a Form UITSR-1, Unemployment Insurance Tax Report. The Division mails this form to each active employer the third month of each quarter. Reports are to be filed according to the following schedule:

REPORT FOR PERIODS	DELINQUENT IF NOT FILED BY
January, February, March	April 30th
April, May, June	July 31st
July, August, September	October 31st
October, November, December	January 31st

If the due date falls on a Saturday, Sunday, or legal holiday, payment is considered on time if postmarked on the next working day.

IMPORTANT! Form UITSR-1 must be filed on time each quarter even though:

- ┆ Taxes may not be owed,
- ┆ No wages have been paid during the quarter, or
- ┆ The reimbursement plan has been chosen.

HOW CAN AN EMPLOYER AVOID PENALTIES AND INTEREST?

To avoid penalty and interest charges, Form UITSR-1, Unemployment Insurance Tax Report, must be

postmarked on or before the last day of the month following the end of the calendar quarter. If this day falls on a Saturday, Sunday, or a legal holiday, the report must be postmarked the next working day.

Reports filed after the due date, accrue interest charges at a rate of 18 percent (.18) a year or 1½ percent (.015) per month or any part of a month. In addition, a penalty of fifty dollars (\$50) is assessed for each tax report filed after the due date. Each additional quarter that the report is late results in an assessment of an additional \$50. Interest accrues on this penalty at the rate of 1.5 percent per month. Billing statements are mailed monthly. Effective January 1, 1997, a newly-subject employer is assessed a penalty of \$10 during the first four quarters of coverage instead of the penalty of \$50.

Any employer having delinquent taxes as of the computation date (July 1) is assessed an additional penalty equal to the amount of delinquent taxes or 1 percent of the taxable payroll, whichever is less. This penalty is billed and payable in four quarterly installments during the current calendar year. The billing is mailed separately in the month following the end of the quarter. Interest accrues on this penalty at the rate of 1.5 percent per month. Filing all late reports and paying all delinquent taxes by July 1 each year avoids assessment of this additional penalty.

When a delinquency exists in an employer's account, the Division applies the payment in the following sequence:

1. Penalties owed, starting with the earliest quarter in which such penalty was charged.
2. Interest already charged, beginning with the earliest quarter in which such interest is due.
3. Interest accrued on unpaid taxes as of the date of the payment, beginning with the earliest quarter in which taxes are due.
4. Unpaid taxes, starting with the earliest quarter in which taxes are due.

WHEN ARE TAX PAYMENTS DUE?

Payments for unemployment insurance taxes are due upon filing of the quarterly tax reports. Delinquent payments must be received by the 28th of the current month in order to avoid additional interest. Delinquent payments received beyond the 28th of the current month are reflected in the following month's billing statement.

WHEN MUST A FINAL REPORT BE FILED?

Employers quitting business are required to file and pay final reports at the end of the reporting quarter during which the change occurred. A Form UITL-2, Employer Change Request, which is enclosed with each quarterly report, must be completed.

HOW CAN A PREVIOUSLY REPORTED QUARTERLY REPORT BE CORRECTED?

Employers may make changes and/or corrections to quarterly reports. There are three forms that may be used for correcting the reports:

- ▮ Form UITR-3, Unemployment Insurance Tax Report Adjustment, is used to adjust any item on

the UITR-1.

- 1 Form UITR-6(a), Multiple Quarter Adjustment of Worker Wages, allows adjustments to the amount reported for each employee or to transfer the reported wages from one account to another account.
- 1 Form UITR-6(c), Social Security Number (SSN) Corrections, is used when it is necessary to adjust a worker's social security number.

These forms may be obtained by contacting Wage Correction Unit, P.O. Box 8789, Denver, CO 80201-8789; telephone (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

HOW IS AN ADDRESS CHANGED?

Prompt notification of address changes helps ensure notification of potential benefit claims and timely receipt of the tax packet. Address changes for tax reporting or benefit claims should be made using Form UITL-2, Employer Change Request. These forms are mailed each quarter in the tax packet. For additional forms please call the Liability Unit at (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free). A letter with a signature clearly indicating the new address is also accepted.

WHAT HAPPENS WHEN AN EMPLOYER ACQUIRES THE BUSINESS OF ANOTHER EMPLOYER?

Total Acquisition

The experience rating record of the previous (predecessor) employer, including the actual taxes, benefits, and payroll experience, passes to the new (successor) employer. The predecessor employer is responsible for notifying the Division of the acquisition.

Partial Acquisition

If it is a partial acquisition and the employer acquires 90 percent or more of the total number of employees in covered employment for each of the four pay periods immediately preceding the transfer to the successor employer, the experience rating record of the predecessor employer, including the actual taxes, benefits, and payroll experience, passes to the successor employer. The predecessor employer is assigned a new employer account number and rate. The predecessor employer is responsible for notifying the Division of the acquisition.

Segregated Unit

When a clearly segregated unit is acquired and both the predecessor and successor employers request a transfer of experience within 60 days of the acquisition, a proportional share of the experience rating record of the predecessor employer, including the actual taxes, benefits, and payroll experience, passes to the successor employer.

Under most circumstances, the successor employer becomes liable for the predecessor's unemployment insurance tax debt. In addition, the successor employer receives the benefit claim forms for services performed for the predecessor employer.

HOW DOES AN EMPLOYER QUALIFY FOR SEASONAL EMPLOYER STATUS?

To qualify as a seasonal employer, the business must operate or have seasonal occupations within the business for less than 26 weeks during a calendar year.

Once an employer is classified as seasonal, the employees cannot draw benefits based on wage credits earned during the determined season unless they are unemployed during this period.

To receive a determination as a seasonal employer, the Form UITL-5, Request for Seasonal Determination, must be filed with the Division. To receive a copy of Form UITL-5, the Liability Unit may be contacted at (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

Seasonal employers must continue to report wages earned during the season and pay the applicable taxes.

WHAT RECORDS ARE EMPLOYERS REQUIRED TO KEEP?

Employers are required to keep work records for at least five years. These records must show:

For each payroll period

1. Beginning and ending dates.
2. Total wages paid during the period and the date when wages were paid.
3. The date in each calendar week on which the largest number of workers were employed and the total number of workers.
4. A reporting pay period not to exceed 31 days.

For each worker:

1. Name, state of residence, and social security number. It is important to note that you should:

- Require all new workers to show their social security cards when hired.
- If a worker has no social security number, employers must require a receipt of application for a number within seven days after hiring.

2. Date of hire, rehire, or return to work after a temporary layoff.

3. Date and reason separated from employment.

4. State or states in which the worker's services are performed.

5. If services are performed outside Colorado, the worker's base of operations. If there is no base of operations, report the place from which the services are directed or controlled.

6. If a worker is paid:

- A salary, keep a record of the rate and period covered.

- | A fixed hourly or daily rate, keep a record of the rate and the usual scheduled days per week used by your company for the occupation.
- | A piece rate or other variable pay basis, keep a record of the method by which the wages are computed.
- | Tips, gratuities, or service charges, keep a record of those.

7. If an employee works less than full-time hours during any payroll period, the following must be kept:

- | The amount of time lost.
- | The reason, including the nonavailability for work. If there is more than one reason, the amount of time for each reason.

8. Wages paid during each payroll period and date of payment must be kept with separate entries for:

- | Money wages.
- | Reasonable cash value of wages paid in any medium other than money.
- | Amounts paid to the worker which exceed travel and other business expenses actually incurred or accounted for.
- | Tips reported to the employer.

CAN RECORDS BE AUDITED?

The Division's field auditors perform regular examinations of records. This means a detailed audit of all records. A complete payroll audit involves an examination of any subsidiary records, including examination of records of payments for services which were not classified as employment or wages. The *CESA* requires that all records must be open for inspection so they may be audited and verified at any reasonable time and as often as necessary.

WHAT ARE THE OBLIGATIONS FOR FEDERAL UNEMPLOYMENT TAX?

Under federal law, employers are required to file the Form 940, Employer's Annual Federal Unemployment Tax Return. This form is filed with the District Director of the U.S. Internal Revenue Services by January 31 of each year with the required payment.

The federal tax rate is 6.2 percent (.062), with a credit of 5.4 percent (.054) if taxes have been paid to the state. This results in a net tax of .8 percent (.008). The 5.4 percent credit is allowed regardless of the rate assigned by the state if state unemployment taxes have been paid on time.

HOW CAN COSTLY MISTAKES BE AVOIDED?

An employer should:

- ┆ Keep good records.
- ┆ File all reports on time to avoid interest and penalty charges.
- ┆ Consider the savings a voluntary tax payment might make.
- ┆ File appeals on time and attend appeal hearings.
- ┆ Help the Division detect and combat fraud.
- ┆ Complete reports accurately.

WHAT ARE THE IMPORTANT DATES TO REMEMBER?

Due dates for Forms UITR-1, Unemployment Insurance Tax Report, and UITR-1(a), Unemployment Insurance Report of Worker Wage:

REPORT FOR PERIODS	DELINQUENT IF NOT FILED BY
January, February, March	April 30
April, May, June	July 31
July, August, September	October 31
October, November, December	January 31

March 14 — Voluntary tax payment deadline.

January 31 — Last day of any year for which voluntary election by an employer to be covered under the law will be accepted for the preceding year.

Employers have 15 CALENDAR DAYS after the mailing date of Form UITR-7, Notice of Employer's Tax Rate, to protest the tax rate for the current year.

Employers have 15 CALENDAR DAYS after the mailing date of the liability status determination to appeal the determination.

WHAT ARE THE COMMONLY USED TAX FORMS?

This section describes the commonly used forms which are completed by employers.

- ┆ Form CR 100, Colorado Business Registration. An employer with one or more employees in Colorado is required to file this form with the Department of Revenue immediately after starting a business in Colorado.
- ┆ Form RC-1, Employer's Election to Cover Multi-State Workers Under the *CESA*.

- | Form RC-2, Notice to Employee for Colorado Unemployment Insurance Coverage.
- | Form UITA-9, Worker/Contractor Status Questionnaire (Firm), and Form UITA-9(a), Worker/Contractor Status Questionnaire (Worker). These forms must be filed with the Division when there is a question about a worker being an employee or an independent contractor.
- | Form UITL-2, Employer Change Request. Employers that cease operation in Colorado or sell the business, must file this form with the Division to make the account inactive within ten days of cessation or sale. A partnership that incorporates is classified as a change in ownership even if the owners are the same. This provision also applies to a sole proprietorship that becomes a partnership or a corporation that becomes a sole proprietorship, etc. This form is also used for address change notification.
- | Form UITL-5, Request for Seasonal Determination.
- | Form UITR-1, Unemployment Insurance Tax Report (see "How is the Quarterly Tax Report Completed?" page 14).
- | Form UITR-1(a), Unemployment Insurance Report of Worker Wages Continuation Sheet (see "How is the Quarterly Wage Report Completed?" page 14).
- | Form UITR-3, Unemployment Insurance Tax Report Adjustment. This form is used to correct errors on gross wages or taxable wages previously reported on the Form UITR-1, Unemployment Insurance Tax Report.
- | Form UITR-6(a), Multiple Quarter Adjustment of Worker Wages. This form must be completed whenever gross wages, a name, or social security number have been reported incorrectly on the UITR-1(a) wage report. Corrections to a previous quarter can be made on Form UITR-6(a).
- | Form UITR-14, Application for Transfer of Experience Rate.

Note: The above forms may be obtained by calling (303) 318-9100 (Denver-metro area) or 1-800-480-8299 (toll-free).

This section lists the forms most frequently sent to employers.

- | Form UITD-1, Notice of Delinquent Unemployment Insurance Tax Reports.
- | Form UITD-4, Installment Payment Agreement.
- | Form UITD-14, Notice and Demand for Payment.
- | Form UITR-2, Unemployment Insurance Tax Statement.
- | Form UITR-7, Notice of Employer's Tax Rate.
- | Form UITR-37, Unemployment Insurance Delinquent Tax Penalty Statement.



[[State Home](#) | [CDLE Home](#) | [Top](#) | [CDLE Feedback Page](#)]

last modified: November 06, 2002