

MEMORANDUM

DATE: December 12, 2011

TO: Enterprise Zone Administrators

FROM: Kevin Tilson

RE: Requirement for Enterprise Zone Tax Credit Forms to Contain Taxpayer ID Numbers

During the 2010 legislative session, 3 legislative bills were passed by the Colorado Legislature that made significant changes to the Colorado Enterprise Zone (EZ) Program. For more information on this legislation please visit www.advancecolorado.com/ez.

One of the changes brought about by this legislation will require any taxpayer (business or individual) who is claiming an EZ tax credit, to file their state income taxes electronically with the Colorado Department of Revenue (DOR). Taxpayers will not be required to submit a copy of their EZ tax credit form(s) with their income tax filing to DOR, as they have previously. Instead, when EZ tax credit forms are certified by the local EZ Administrator, data from the form will be reported to the state to be used by DOR to verify tax credit claims. This requirement is effective for income tax years beginning on or after January 1, 2012 pursuant to Colorado Revised Statute 39-30-111 and 39-30-112. This new process is expected to improve efficiency for taxpayers and government.

As a result of this requirement, on or after January 1, 2012 EZ Administrators are required to report to the state the taxpayer identification number of each entity certified for an EZ tax credit. The taxpayer identification number provided by the taxpayer may be the FEIN, SSN or Colorado Account Number. For EZ "business" tax credits (forms DR0074, 0076 and 0077) a new electronic system is available that allows secure electronic processing of EZ "business" tax credit forms at www.advancecolorado.com/ez. The EZ Contribution Tax Credit (form DR0075) is processed via Department of Revenue paper form and data from the form is collected manually by the EZ Administrator at the time of certification. The integrity and accuracy of the data collected and reported is very important since it will be used by the Department of Revenue to verify tax credits that are being claimed.

Please note, taxpayers can use their Colorado Account Number in place of their Social Security Number on EZ tax credit forms if preferred. All Colorado taxpayers have a Colorado Account Number and can request it by visiting www.colorado.gov/revenueonline and following the steps on the next page:

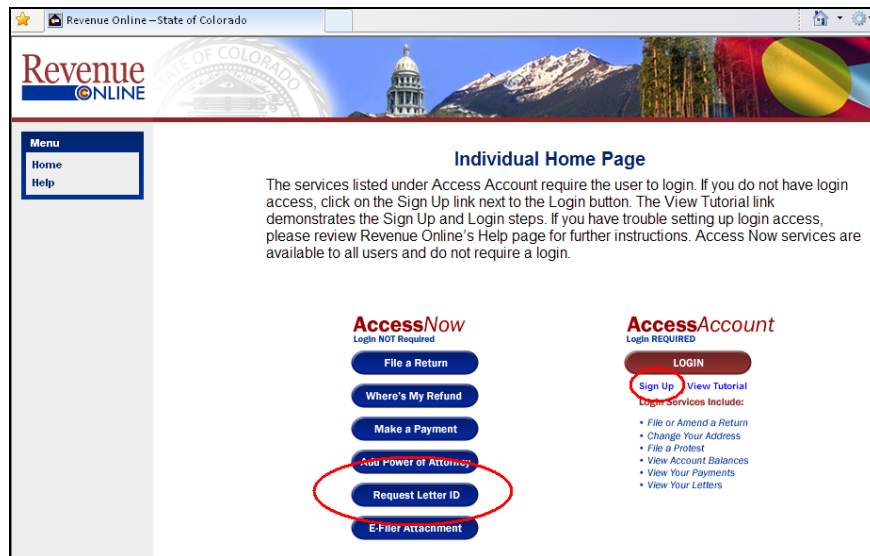
Step 1)

Visit www.colorado.gov/revenueonline and select "Individual" or "Business" accordingly.



Step 2)

Sign up with the Colorado Department of Revenue, if not already signed up. Then, click on Request Letter ID. A letter containing the taxpayer's Colorado Account Number will be mailed to the address on file for the taxpayer.



Taxpayers may contact DOR via phone at (303)238-7378 with questions or concerns regarding their Colorado Account Number. This phone number receives a high volume of traffic and wait times vary.

Thanks for your continued assistance with this program.

Sincerely,
Kevin Tilson
Enterprise Zone Program Manager



Office of Economic Development

Katherine O'Connor, Analyst
Denver Enterprise Zone Administrator
201 W. Colfax Avenue
Denver, CO Zip 80202
p: 720.913.1528
f: 720.913.1800
www.denvergov.org/oed

December 16, 2011

Dear Enterprise Zone Contributions Project,

I'm writing to inform you of State of Colorado legislative changes that will impact the DR0075 forms used to provide Enterprise Zone Tax Credits to your donors.

As of January 1, 2012, the following changes go into effect:

- Any taxpayer (business or individual) who is claiming an EZ tax credit must file their state income taxes electronically with the Colorado Department of Revenue (DOR).
- Taxpayers will not be required to submit a copy of their EZ tax credit form(s) with their income tax filing to DOR, as they have previously.
- Instead, when EZ tax credit forms are certified by the local EZ Administrator, data from the form will be reported to the state to verify tax credit claims when the taxpayers return is electronically submitted.
- Because of this, EZ Administrators are required to report to the state the taxpayer identification number of each entity certified for an EZ tax credit.
 - The taxpayer identification number provided by the taxpayer may be the FEIN, Social Security Number or Colorado Account Number.
 - **Please note, taxpayers can use their Colorado Account Number in place of their Social Security Number on EZ tax credit forms if preferred.** All Colorado taxpayers have a Colorado Account Number and can request it by visiting www.colorado.gov/revenueonline (see enclosure for more information).

The accuracy of the data collected is very important since it will be used by the Department of Revenue to verify tax credits that are being claimed. *The taxpayer identification numbers on the contribution form and the taxpayer's tax return must match in order for the taxpayer to receive the tax credit.*

Please see the enclosed memo from the State of Colorado for more information and instructions for how to request a Colorado Account Number.

If you have any questions, please contact me at ez.admin@denvergov.org or 720.913.1528. You may also contact the Denver Enterprise Zone Contributions Projects Manager, Cheryl Sanders at cheryl.sanders@unitedwaydenver.org or 303-561-2348. I look forward to working with you in the coming year.

Sincerely,

Katherine O'Connor
Denver Enterprise Zone Administrator

