

# Instructions and Documentation Requirements for Claim for Refund of Tax Paid to Vendors DR 0137B

(Do not use for income tax or severance refunds)

- For Sellers/Retailers, Consumer Use, Local Marketing, County Lodging and Withholding use Form DR 0137. For Rural Broadband, use Form DR 0137C.
- Failure to complete the required form(s) and submit all supporting documentation may cause the amount of the refund to be reduced or denied.

<u>Table of Contents</u>	
1. General Information .....	1
2. Instructions for Form .....	1
3. Required Documentation .....	1
4. Industry Specific Claims .....	2
5. Interest .....	2
6. Form .....	3
7. Overpayment Spreadsheet .....	4

## GENERAL INFORMATION:

A purchaser's/buyer's claim for refund is submitted by a buyer when sales or use tax was collected in error by the vendor and remitted to the Colorado Department of Revenue. Before submitting a claim for refund to the department, first request a refund from the store or vendor from which you purchased the product or service.

If you are unable to obtain the refund from the store or vendor, submit this form along with the required documentation. In addition, include the explanation from the vendor indicating the reason the refund was not granted.

## INSTRUCTIONS FOR FORM:

Do not combine sales and use tax refunds on the same claim; file a separate claim for each tax account type.

### Type of Exemption

Claims should be submitted by exemption type, if there are multiple purchases that are being submitted for different exemptions. For example, Taxpayer ABC has paid tax in error to vendor 1 for non-taxable services and tax in error to vendor 2 for exempt machinery. Two claims should be submitted. One claim for non-taxable services and one for exempt machinery.

### Total Sales or Use Tax paid during the Period Covered

Enter the TOTAL amount of sales or use tax paid to ALL vendors during the period covered.

The period covered includes the calendar month(s) of when the purchases were made.

For example, if you are requesting a refund for purchases made on July 1, July 21, August 9, and September 1, the

period covered is the calendar months of July, August and September. You would add the total sales or use tax paid on ALL purchases between July 1 and September 30.

### Reason

A brief description of why you are requesting the refund in the reason box on the form is required even if you are attaching a letter explaining the refund request in detail.

## REQUIRED DOCUMENTATION:

Keep all documentation supporting refund claims at the location of your business records.

### Power of Attorney (POA)

- If you are submitting this claim for a third party, you must include a Power of Attorney (DR 0145).

### Invoices or purchase orders

If your claim contains under 100 invoices, submit copies of all invoices for review.

If your claim contains 100 or more invoices, submit at least 25% for review which should include the following:

- The majority of the larger dollar amounts requested.
- Invoices for each vendor submitted in the claim.
- Select invoices from each filing period requested in the claim.
- Invoices from the vendor the items were purchased from should be submitted. Do not submit internal invoices. If your claim contains internal invoices, provide the purchase order.
- Bundled using paper clips or binder clips. Do not staple documents together.

**Please note:** The department may request additional invoices if it is deemed necessary.

### Proof of Payment

- Sales Tax receipt from vendor. This should list the purchases, the sales tax charged, and record of the payment.
- For purchases made using invoices or purchase orders provide a copy of cancelled check (front and back) or if paid electronically the bank statement or EFT transaction details and confirmation.

### Overpayment Spreadsheet (Requirements)

You must complete and include the attached or similar spreadsheet in your claim. Some industries will require additional columns and information. Please review the Required Documentation and Industry Specific Refund claim sections of this form.

To determine the tax rate on your invoice and for rates by jurisdiction, please review the form DR 1002 "Colorado Sales/Use Tax Rates".

Spreadsheets must be submitted in readable form (at least 10 point font or larger).

**Note:** To reduce errors and for faster processing, electronic spreadsheets are preferred (CD or USB).

The invoices that are included with the spreadsheet should be numbered and match the spreadsheet. A spreadsheet showing how the refund amount was calculated should be included with the following columns per invoice:

- Store or vendor's name;
- FEIN or Colorado Account number (CAN) of the vendor;
- Date of purchase;
- Invoice number;
- Sales price of item before tax;
- State sales/use tax paid, county sales/use tax paid, city sales/use tax paid, special district sales/use tax paid, etc. (separate column for each tax);
- Total of each tax refund requested by tax type;
- Indication of whether a copy of this invoice is enclosed;
- A brief description of the item or service purchases;
- Explanation of how the item or service is used;
- How the item or service qualifies for the exemption claimed.
- Include well API information (oil and gas industry).

If you are applying for a refund from multiple vendors or same vendor but multiple store locations, and exemption types (resale, machinery & machine tools, etc.), invoices and related information must be separated by vendor, location, and exemption type. Each vendor's data must be totaled separately.

### **INDUSTRY SPECIFIC REFUND CLAIMS:**

**NOTE:** A general reference to a statute, vendor, case, or references to the exemption type are not sufficient.

In addition to the documentation listed above, the following support should be included in your submission if you are claiming refunds for the following industries:

#### Affordable Housing (FYI Sales 95)

- Statement from housing authority detailing and certifying the housing authority's ownership interest in the project and the percentage of the project that is for occupancy by persons of low income.

#### Low-Emitting Heavy Vehicles (FYI Sales 91)

- Form DR 1369 Colorado State Sales and Use Tax Exemption for Low-Emitting Heavy Vehicles Affidavit.
- EPA certificate.

#### Computer Software (Sales Tax Topics Computer Software)

- Proof that software was electronically delivered.
- A copy of the contact demonstrating the software was subject to negotiation.
- Support of demonstrating the software was customized.

#### Farm Equipment (FYI Sales 75)

- Form DR 0511 Affidavit for Colorado Sales Tax Exemption for Farm Equipment.

Rural Broadband Do not use this form. Please download Form DR 0137C.

#### Rural Jump-Start

- Evidence that your business qualifies for the Rural Jump-Start program and is endorsed by IHE.

#### Manufacturing (FYI Sales 10)

- Include the utility statements for the refund period and copies of exemption certificates for exempt utility charges (i.e. DR 1666 with computations showing the exempt and nonexempt usage determined by square footage or actual energy consumption);
- Copies of the DR 1191 or DR 1192;
- If request is for an entity inside of an enterprise zone; include a statement from the enterprise zone administrator.
- In addition to invoices, please provide field tickets or work orders for transactions claimed as exempt services. For example, mud services.

### **INTEREST:**

If this refund qualifies for interest please provide the calculation and an explanation along with any support demonstrating how it qualifies.

Interest is due on sales and use tax refunds when the following conditions are met:

- The payment was made incident to a bona fide and orderly discharge of an actual liability and
- The refund is not issued within 90 days from the due date of the return, and
- The refund claim was made in a timely manner after discovery of the overpayment.

#### Resources for Interest

- Statute §39-21-110 and 39-21-110.5
- Regulation 39-21-110 and 39-21-110.5

## Claim for Refund of Tax Paid to Vendors (Do not use for income tax refund)

**\*\*Attention\*\***

- For Sellers/Retailers, Consumer Use, Local Marketing, County Lodging and Withholding use Form DR 0137. For Rural Broadband, use Form DR 0137C.
- Failure to complete the required form(s) and submit all supporting documentation may cause the amount of the refund to be reduced or denied.

<b>Refund to be made payable to, and mailed to:</b>				
Taxpayer's Last Name or Business Name		First Name	Middle Initial	SSN
Taxpayer (DBA)			FEIN	
Mailing Address		City	State	Zip
<b>Claim Information:</b>				
Store or Vendor Name				
Vendor's FEIN	Vendor's Sales Tax Account Number	Type of Tax	Date(s) of purchase(s) (MM/YY-MM/YY)	
Original Amount of Tax Paid		Correct Amount	Refund Requested	
Type of Exemption		Total Sales or Use Tax Paid during the Period Covered (See instructions)		
Reason (Explain below <i>and</i> on a separate sheet of paper if needed). All supporting documentation must be attached.				
I declare under penalty of perjury in the second degree that this claim including all attachments is to the best of my knowledge true and correct. I further understand that the claim and documentation may be subject to the same verification process used by the Department of Revenue in auditing other taxes for three years from the date of payment of the claim. § [13-80-101(1)(m) C.R.S.]				
Taxpayer Signature (this line must be signed by an individual, officer, partner, or owner of the firm claiming the refund)			Phone Number (    )	
Print name of signor above		Title	Date	
Signature of Preparer (if other than taxpayer)			Date	
Name of Firm (If you are representative preparing this claim on behalf of a third party, include a copy of the DR 0145 Power of Attorney.)			Phone Number (    )	

**For Departmental Use Only. Do not write in this section.**

--

## DR 0137B Claim for Refund of Sales or Use Tax Overpayment Spreadsheet

**(See instructions and documentation requirements)**

Taxpayer's Name							Account Number/FEIN/SSN			
Store Name (Only one vendor per sheet)										
Store's Address						City			State	ZIP
Store Number (if available) Where Product Was Purchased										
Vendor's Sales Tax License or Account Number					Vendor's FEIN (if known)			Type of Tax		Type of Exemption
Date of Purchase	Invoice Number	Amount of Sale Pretax	State Sales/Use Tax	County Sales/Use Tax	City Sales/Use Tax	Special District Sales/Use Tax	Description of item or service	Explanation how item or service is used	How item or service qualifies for the exemption claimed.	
<b>Total Tax</b>		\$	\$	\$	\$	\$				