TAXPAYER SERVICE DIVISION

FYI – For Your Information

Refund Interceptions

GENERAL INFORMATION

Colorado tax refunds of taxpayers who owe money to the state are subject to interception by the Department of Revenue and other Colorado state agencies. [§39-21-108(3), C.R.S.]

When a refund is intercepted, the Department of Revenue sends a letter explaining which agency initiated the intercept, the amount of the refund intercepted, and who to contact for further information. If the debt is smaller than the refund, the taxpayer will receive the difference.

Amounts intercepted shall be considered to have been refunded to the taxpayer as though the taxpayer had received the refund warrant, cashed it, and forwarded the payment to the agency.

DEPARTMENT OF REVENUE DEBTS

Any tax refund claimed on a tax administered by the Department of Revenue is subject to interception for any back taxes owed to the Department of Revenue. This is the case even if the debt is owed by the taxpayer for a tax other than the tax for which the refund is claimed. A refund will be applied first to a debt owed to the Department of Revenue, with any remaining refund applied to debts from other agencies if applicable.

STATE AGENCY DEBTS

Debts to the following agencies may be offset by a tax refund:

- Colorado Unemployment Compensation Fund debts
- Department of Human Services unpaid child support or overpaid public assistance or medical assistance benefits
- State supported institutions of higher education unpaid loans or other obligations
- Department of Higher Education unpaid debts from the Student Loan Division or the CollegeInvest Division
- Judicial fines, fees, costs, surcharges or restitution
- State agency debts certified by the State Controller
- Judicial restitution debts and child support debts owed by convicted persons identified by the Department of Corrections, but only to the extent that a state sales tax (TABOR) refund is claimed

Refunds Subject to Interception:

Refunds from the following taxes are subject to agency interception:

- Income
- Sales and use
- Gasoline and special fuel
- Cigarette and tobacco products
- Severance
- PTC rebates

Colorado Department
of Revenue
Taxpayer Service Division
1375 Sherman St.
Denver, Colorado 80261

Forms and other serivces:
(303) 238-FAST (3278)
Assistance:
(303) 238-SERV (7378)

www.taxcolorado.com

Disputes

If the taxpayer disagrees that an agency debt is owed, the taxpayer must contact the relevant agency directly. The Department of Revenue does not have details regarding the debt beyond the fact that it exists and has been determined to be eligible for interception by the appropriate agency.

Joint Refunds

If the refund is requested on a joint return, the injured spouse (person not in debt) may request his/her share of the refund. The portion is determined by dividing the injured spouse's gross income by the joint gross income and multiplying the resulting percentage by the tax refund. A written claim must be filed with documentation to determine the appropriate refund must be submitted. For income tax refunds this documentation must include a copy of your federal return or federal form 8379 and copies of all W-2s.

Do not send an injured spouse claim with the return. Mail it in a separate envelope to:
Colorado Department of Revenue
Injured Spouse Desk Room 238
Denver CO 80261

FURTHER INFORMATION

FYIs and commonly used forms are available on the Web at *www.taxcolorado.com*

For additional income tax information visit the "Tax Information Index" which covers a variety of topics including links to forms, publications, regulations, statutes and general questions and answers.
The "Tax Information Index" is located at *www.taxcolorado.com*

FYIs provide general information concerning a variety of Colorado tax topics in simple and straighforward language. Although the FYIs represent a good faith effort to provide accuate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supercede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.