

FYI – For Your Information

Year-End 1099 Income Statements

GENERAL INFORMATION

Year-end 1099 statements inform recipients about income they earned from sources other than wages during the tax year just ended. 1099 statements are issued during the month of January, as are W-2 wage statements. Following are examples of 1099s taxpayers might receive:

- 1099-G from government agencies, such as the Colorado Department of Revenue, showing a tax refund of over \$10 for the prior year.
- 1099-INT from banks showing interest earned;
- 1099-DIV from brokerage companies showing dividend income;
- 1099-MISC from management companies showing rental income;
- 1099-R from pension organizations showing pension income;

INSTRUCTIONS FOR 1099 RECIPIENTS

If the 1099 statements you receive do not indicate Colorado income tax withheld, they do not need to be attached to your annual Colorado income tax return. In most cases, 1099s will indicate that no Colorado tax was withheld. **However**, for any 1099 statements that **do** indicate Colorado tax withheld, **you must** attach

these to your Colorado return, so that you will receive proper credit for Colorado income tax you have already paid.

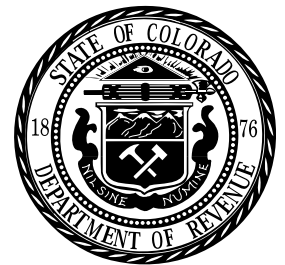
INSTRUCTIONS FOR EMPLOYERS, BANKS AND OTHER 1099 ISSUERS

All 1099 statements you distribute must be sent to the the Department of Revenue, 1375 Sherman St. Denver, CO 80261, even if Colorado wage withholding is not on the statements. [§39-22-604 C.R.S.]. The 1099 statements must be submitted along with your annual W-2s and reconciliation statement (DR 1093), due February 28. Effective for all periods on or after January 1, 2000, all state wage withholding must be deducted and withheld in whole dollar amounts.

1099-G — COLORADO INCOME TAX REFUND STATEMENT

Section 6050E of the Internal Revenue Code requires the Colorado Department of Revenue to provide this form to taxpayers who may have itemized deductions on their federal return the previous year. The statement is in postcard format. A separate copy of your 1099-G is sent to the IRS. Amounts on this form include:

- the Colorado income tax refund check you received the prior year;
- any overpayment credited to the following year's estimated tax;



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

Sales Tax: (303) 232-2416
Withholding Tax: (303) 232-2416
Income Tax: (303) 232-2446
Severance Tax: (303) 232-2446
Fuel Tax: (303) 205-5967

- any overpayment applied to the prior year's balance due;
- any overpayment intercepted by the IRS or by a state agency;
- contributions to any of the voluntary checkoff funds.

Note: The 1099G will not include the amount of your state sales tax refund credit that may have been included in the above amounts, since this was not a refund of income tax.

State **taxpayers who itemized** on their previous year's federal return must use this information to calculate the taxable refund on the federal return for the next year. State **taxpayers who took the standard deduction** on their previous year's federal return need not report the refund on the federal return for the next tax year.

If you feel there is an error on the 1099-G you received from the Department of Revenue, either mail a copy of the form with a brief explanation to the department, or call (303) 232-2446.

FURTHER INFORMATION

For more information on related topics, consult the following DOR publications:

- FYI General 1 "Department of Revenue Publications";
- FYI General 5 "General Information About Colorado State Taxes";
- FYI General 8 "The FYI Program – Index and General Information";
- FYI General 11 "Colorado Civil Tax Penalties and Interest";
- FYI Income 12 "State Income Tax Refund Subtraction";
- FYI Income 14 "Alternative Minimum Tax";
- FYI Income 20 "United States Government Interest."

Single FYIs are free from the Taxpayer Service Division. They may be obtained at any statewide taxpayer service center; or by writing to the Colorado Department of Revenue, 1375 Sherman St., Denver, CO 80261; or by calling the DOR Forms Hotline at (303) 232-2414. Please use the FYI number (General 1, Sales 9, etc.) when ordering FYI publications. FYIs and commonly used forms are available on the Web at www.revenue.state.co.us

For a complete set of FYIs (approximately 130, on sales, income, excise and withholding taxes), you may purchase ***The Complete Book of FYIs*** at low cost from the State Forms Center, Division of Correctional Industries, 4200 Garfield St., Denver, CO 80216. An order form is contained in FYI General 1, or call the State Forms Center, (303) 321-4164, for ordering information.