



COLORADO

Department of Revenue

Enforcement Division – Liquor & Tobacco

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BULLETIN 19-06

REFERENCE: Tax Check Authorization, Waiver and Request to Release Information form

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Colorado Liquor Enforcement Division

The Liquor Enforcement Division (LED) is publishing this bulletin to clarify the questions regarding the newly released Tax Check Authorization, Waiver, and Request to Release Information form (DR 8495). The Liquor Enforcement Division, Taxation Division, and the Attorney General's Office made a coordinated effort to communicate with one another, as well as with local licensing authorities, of our duty to verify business tax reporting and payment obligations, while also providing businesses with information regarding their state and local tax accounts before issuance of a liquor license. The new tax form requirement is the result of this coordinated effort between state agencies to develop a process for ensuring liquor licenses are issued to those in good standing with their tax reporting and payments.

The Colorado Liquor Code, sections 44-3-101 *et seq.*, C.R.S. ("Liquor Code"), and Liquor Rules, 1 CCR 203-2 ("Rules"), prohibit "persons" from holding a license who are not of character or record satisfactory to the state licensing authority by virtue of their failure to pay state or local business taxes. Pursuant to subsection 44-3-307(1)(a)(V), C.R.S., a liquor license shall not be issued to or held by "*any person employing, assisted by, or financed in whole or in part by any other person who is not of good character and reputation satisfactory*" to the state licensing authority. Similarly, pursuant to subsection 44-3-307(1)(a)(VI), C.R.S., a license shall not be held by "*any person unless the person's character, record, and reputation are satisfactory to the respective licensing authorities.*"

Questions:

- 1) Is the tax form a one-time requirement related to the business rather than the individual who signs off?

The tax form (DR 8495) is required upon application and upon renewal of the liquor license. The tax form will be mailed to the applicant each year with their renewal application. The answer to the second question is yes, the tax form is related to the business tax accounts and not the individual tax-related matters.

- 2) Is the form inclusive for sales tax?

Yes, while references to excise tax are made (44-3-503 C.R.S.) throughout the application, Regulation 47-310(E)(4), 1CCR 203-2 further states that when a licensing authority is making a determination as to character and reputation of an applicant, their compliance with any state or local tax requirements may be considered.

- 3) Must the tax form be attached to the Liquor Renewal form at the time of submission to liquor licensing?

Yes, please attach the form to the renewal so our licensing specialist can process the renewal efficiently and consistently for our customers.

- 4) If it's not attached, can the local authority still sign off and submit the renewal?

No, the state licensing authority requires the tax form to make the application complete. If the LED receives applications without a signed tax form, we will reach out to the local authority and, if necessary, the applicant to complete the application.

- 5) Does Licensing obtain this document for all Master File licensees?

Yes, the LED will make sure there is a completed form on file for Master File holders and will have a completed form for each location. Recently, the LED updated its mater file regulations, as well as developed a master file application that will be released for publication after rulemaking is complete.

- 6) Will the tax form be part of a New and Transfer application as a required document and be noted on Page 2 of the application form?

The tax form has been added to all applicable applications on the Divisions web page. It has not been added to page 2 of the checklist but will be soon.

- 7) Is failure to comply overseen by Liquor Licensing?

Yes, this is one requirement that needs to be completed before the application or renewal liquor license is issued.

- 8) Is there a hard start date for compliance with this new tax compliance form?

Liquor licensees have always had to comply with being current on tax obligations, and failure to do so could have led to disciplinary action before the release of the tax form. For this reason, there is not a need for a hard start date, as this has always been a requirement.

- 9) When will this form be added to the online forms page?

The tax form was added on October 2, 2019, to the "forms by name" and "forms by number" links.

If you have any questions about this bulletin, email the LED at dor_led@state.co.us. We thank you for your support and cooperation with fulfilling these liquor license requirements.