

# Sales & Use Tax System (SUTS) Functionality Study

Colorado Department of Revenue  
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# Introduction

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During the 2024 interim, the Sales and Use Tax Simplification Task Force requested that the Department of Revenue convene a working group to study taxpayer use of SUTS, and particularly the filing portal. A copy of the letter from the Task Force may be found at [Appendix A](#). The goal of the study was to formulate a set of recommended improvements that would increase portal use. Specifically, the Task Force asked the workgroup to:

- ❖ Identify functionality gaps;
- ❖ Determine system and user requirements;
- ❖ Evaluating proposed solutions to fix gaps and increase taxpayer use;
- ❖ Recommend solutions to the Task Force;
- ❖ Estimate costs for the recommended solutions; and
- ❖ Present a report detailing this information.

## Workgroup Structure

The Department invited interested stakeholders to apply to be workgroup members, soliciting applications from a variety of user groups as requested by the Task Force. From a pool of 42 applicants, the Department selected 14 workgroup members. The members included taxpayers, practitioners, software providers, filing services, and self-collecting home rule cities. Although the discussion focused on the input of these workgroup members, all meetings were advertised publicly with opportunities for all attendees to give their input. The Department also regularly solicited (and received) written comments. Finally, this report will be published prior to submission to the Task Force with an invitation for any further written comments. Comments received during this final comment period will be appended to the report at [Appendix D](#).

The Department held three workgroup meetings at its offices in Lakewood. Virtual attendance was also permitted. The first meeting devoted time to demonstrating recent functionality upgrades from HB23-1017. The goal of the demonstration was to ensure a baseline awareness of the current state of the system before discussing additional functionality needs. The Department's vendor (GovOS) also reviewed performance metrics from the first two filing periods for which the new functionality was available and emerging feedback on the improvements.

## Strategic Themes

After the overview, the first meeting turned to a discussion to discern strategic themes for further evaluation at the following meetings. The themes that emerged covered the lifecycle of a SUTS user:

- ❖ Account setup and maintenance;
- ❖ General filing process;
- ❖ Zero returns and nonfiler procedures;
- ❖ Payments; and
- ❖ Integrations and filing services.

In addition to opportunities falling within these strategic themes, the workgroup made other requests and suggestions captured in this report. Each subsequent workgroup meeting discussed topics within each of these strategic themes. The Department provided the topics in advance of each meeting (see [Appendix B](#)). For each topic, workgroup members were asked to share their current experience, the barriers to portal use they are experiencing, and their preferred functionality.

The resulting discussions yielded the recommendations detailed below. In total, there were 20 recommended improvements, some of which are already being implemented. The report identifies where additional funding may be necessary to fully implement the requested improvement. The estimated costs are also detailed in a schedule at [Appendix C](#). In total, the estimated cost for making all the recommended improvements is \$624,720 with an additional \$37,500 in ongoing maintenance costs. These estimates may change if we proceed to develop detailed statements of work with our vendors.

## Out-of-Scope Requests

To be thorough, the Department facilitated a wide-ranging discussion of SUTS and sales tax compliance. In some cases, commentators made requests beyond the scope of SUTS functionality improvements. These requests included:

- ❖ Providing free software to perform the collection, reporting, and remittance of state and local sales taxes;
- ❖ Changing the tax base to eliminate exemptions;
- ❖ Adopting legislation to relieve small businesses of collection obligations;
- ❖ Requiring home rule cities to use the same system of record or the state account number assigned by the Department; and
- ❖ Prohibiting home rule cities from penalizing taxpayers for failing to file.

Because these requests were beyond the scope of the request from the Task Force, they were not considered in this report.

In addition to the above, there is occasionally confusion about the interaction between SUTS, the Department's system of record (GenTax), and the local systems employed by home rule cities. SUTS is a filing portal. It collects the returns prepared by taxpayers for each jurisdiction and transmits them to the jurisdictions. SUTS saves certain taxpayer information obtained from jurisdictions (in some cases through integrations with systems of record) to facilitate the filing and transmission process. It is not, however, a centralized system of record. The Department and all the home rule cities maintain separate systems to track the accounts and records of taxpayers. As such, certain functions must continue to be performed through these systems of record. These functions are discussed further below.

# Background Information

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This section briefly discusses the sales and use tax system in Colorado and the simplification efforts that lead to the creation of SUTS. It goes on to describe the creation and use of SUTS including details regarding the HB23-1017 updates and related performance goals.

## Colorado Sales and Use Taxes

The sales tax is a tax upon the retail sale of tangible personal property and certain services. The tax is imposed upon the consumer. If the consumer acquires and uses property without payment of an adequate sales tax, the consumer must self-assess and remit a use tax.

The sales tax was first enacted in Colorado in 1935 in response to the Great Depression and the resulting pressures on the property tax as the state's principal funding source. The state sales tax rate was 2% of the purchase price. The use tax followed in 1937 and applied to the same property subject to the state sales tax.

In 1967, counties and statutory cities were authorized to impose sales taxes upon those transactions subject to the state sales tax. These taxes were collected, administered, and enforced by the Department of Revenue. The tax bases for counties and statutory cities were the same as the state sales tax base until 1979. In that year, the General Assembly created new exemptions for food for home consumption, residential energy, and machinery and machine tools used in manufacturing. The act that created these exemptions provided that they would not apply to the taxes imposed by counties and statutory cities unless local ordinances or resolutions expressly allowed them.

Counties and statutory cities were first authorized to impose limited use taxes upon building materials and motor vehicles in 1973. Use taxes on building materials are collected locally, mostly through the building permit process. Use taxes on motor vehicles are collected through a partnership between the Department of Revenue and county clerks during the vehicle titling and registration process.

In 1973, the General Assembly authorized the Regional Transportation District to impose a sales tax. Like those imposed by counties and statutory cities, the district's sales tax base was the same as the state sales tax base, and the taxes were collected, administered, and enforced by the Department. Similar authority was granted to the Scientific & Cultural Facilities District, and to local improvement districts, in 1987. Regional transportation authorities were created and granted the authority to impose sales taxes in 1997. Since that time, eleven new types of special districts have been granted similar taxing powers.

Colorado's constitution has long provided for strong home rule. In 1901, the General Assembly referred a measure to add Article XX to the state constitution concerning the City and County of Denver. In 1902, Denver became the first home rule municipality in Colorado. The strong constitutional powers allowed to home rule municipalities by the amendment were later expanded by citizen initiative in 1912. These powers included the levy and collection of taxes for municipal purposes. Denver was the first home rule municipality to impose a sales tax in 1948 followed by Pueblo in 1956.

Today, the Department of Revenue collects, administers, and enforces the sales taxes of 52 counties, 166 cities, and 33 special districts. Another 66 home rule municipalities collect their own sales and use taxes pursuant to their local ordinances. The combination and overlap of these jurisdictions yields over 400 unique taxing areas within the state for which the Department processes more than 48 million returns per year.

## The Simplification Task Force

Acknowledging that “Colorado has a unique and complex state and local sales tax system,” House Bill 17-1216 created the Sales and Use Tax Simplification Task Force. In general, the Task Force was charged with studying the simplification of sales and use taxes at the state and local level. The bill required the Task Force to identify opportunities and challenges and, within existing fiscal frameworks, to adopt innovative, revenue-neutral solutions that did not require constitutional amendment or voter approval.

In 2018, the Task Force drafted (and the General Assembly adopted) House Bill 18-1022. That bill required the Department of Revenue to issue a request for information for an electronic sales and use tax system. The ideal system would provide:

- ❖ Accurate address location information to be used by a retailer to determine the correct taxing jurisdiction for which the retailer should collect and remit sales or use tax;
- ❖ A single application process for state and local sales tax licenses;
- ❖ A uniform sales and use tax remittance form;
- ❖ A single point of remittance for state and local sales and use tax; and
- ❖ A taxability or exemption matrix.

A year later, Senate Bill 19-006 appropriated funds and required the Department to conduct a sourcing method to develop the system.

## The Sales & Use Tax System (SUTS)

As directed by Senate Bill 19-006, the Department conducted a sourcing method and began the development of the system that would come to be known as SUTS. Although often referred to as a single system, SUTS has two components that are managed by different vendors.

### Colorado Sales Tax Lookup

The first component of SUTS is the Colorado Sales Tax Lookup. This tool uses a geographic information system (GIS) to allow taxpayers to determine the sales taxes imposed at a particular location in the state. Users may find a location by searching an address, by searching latitude and longitude coordinates, or by clicking a point on a map. When the location is found, the system details the jurisdictions that impose sales taxes upon sales at the location, and the current general sales tax rates. Users may also see rate histories and export search results. The system now offers bulk address lookup and an application program interface (API) for larger use cases.

In addition to rates, the Colorado Sales Tax Lookup provides a taxability matrix. Users may select from over 350 products and services, and the tool will display the state and local taxes applicable to the selected item.

## SUTS Filing Portal

The Colorado Sales Tax Lookup helps retailers collect the correct amount of tax and attribute that tax to the correct state and local taxing jurisdictions. For state-administered jurisdictions, detailed returns are necessary to ensure the proper calculation of taxes with respect to differences between the state and local tax bases. The returns also provide the Department of Revenue with the information necessary to make monthly distributions to more than 250 jurisdictions totaling \$2.8 billion.

Prior to SUTS, retailers doing business throughout the state were required to separately file returns (and pay related taxes) with each self-collecting home rule municipality in which they were engaged in business. As mentioned above, these jurisdictions administer their own taxes under the authority of their local ordinances. These local filings were in addition to the state return, which would include the county and any special districts in which the municipality is located. Although a single payment could be remitted to the Department covering all state-administered sites, taxes collected for these home rule municipalities were remitted to each municipality directly.

The principal goal of the filing portal was to create a single point of filing and remittance for all state and local sales and use taxes. Through the SUTS filing portal, retailers may file returns and remit a single payment for all state-administered jurisdictions, and all but two self-collecting home rule municipalities. SUTS automatically transmits the returns to each city and transfers the related payment to each city's bank account.

## Notable SUTS Developments

Since its launch in 2020, the Department has worked with vendors, taxpayers, practitioners, software providers, cities, and the General Assembly to improve the system. The most notable improvements resulted from House Bill 23-1017, which was a Task Force bill. The bill appropriated funds and required the Department to modify the system by January 1, 2025.

The Department and the filing portal vendor (GovOS) conducted extensive research to understand what users liked and disliked about the current filing portal. Through 52 personal interviews and over 1,000 survey responses, the team identified desired features, functionality, and usability enhancements. The result was an entirely new user interface.

One of the biggest improvements that resulted from HB23-1017 was the direct data entry filing method. Prior to this year, users could input return information only by uploading a spreadsheet. The spreadsheet included a row for each state and home rule city return being filed, and columns representing the various lines on the state and local returns. Users wanted an additional method that used a web form where the user could enter the data for each return directly. This alternative method is similar to the experience in the Department's Revenue Online taxpayer access portal.

The initial response to these changes was positive. In the first filing period when the new user interface was available (January 2025), 80% of users completed their direct entry or spreadsheet filing using the new user interface. More than half of those users completed their filing using the new direct data entry filing method. Less than 15% of users tried the new user interface but completed their return using the legacy interface.

The Department also observed positive trends in the January 2025 conversion rates. A conversion rate measures the number of unique users that complete the entire filing process. By observing abandonment rates at each stage of the filing process, the Department can better discern which fixes will yield the greatest improvements in the user's experience. For the January 2025 filing period, 71% of users that started the spreadsheet filing process completed the filing. The median time to complete the process was just under five minutes. By comparison, the January 2024 conversion rate was 40% with a median completion time of just over 14 minutes. A 55% conversion rate, and 5-minute median completion time, was observed for the direct filing method. February 2025 showed similar results. Through testing and user feedback, GovOS identified several areas that could immediately be improved.

The Colorado Sales Tax Lookup tool was also upgraded as a result of HB23-1017. In January 2024, a bulk lookup function was added to the lookup. This new function allows users to submit a spreadsheet of addresses or coordinates (latitude and longitude) rather than searching each address manually or integrating with the API. The system will process the file and return jurisdiction and tax rate information similar to what is returned for an individual address search. The input format allows the user to include a "customer record ID," which could be a customer number, a transaction number, or any other identifier that will aid the user in tying the results back to its records. During fiscal year 2024-25, almost 99 million addresses were searched through the bulk lookup tool.

# Account Setup and Maintenance

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This section discusses the opportunities identified in the account setup and maintenance theme.

In addition to functioning as a central filing portal, SUTS is a centralized registration tool. Retailers may use SUTS to register with the Department when they begin doing business in the state. Retailers who are already registered need to input information about their state and local sales tax accounts to ensure that filings through SUTS are accounted for properly. The recommendations in this section focus on these processes.

## Summary of Recommendations and Estimated Costs

- ❖ Allow taxpayers to add reporting sites through SUTS (implemented June 2025).
- ❖ Allow administrators to add and remove sites from SUTS accounts through the administrator panel (estimated cost \$33,150).
- ❖ Allow taxpayers to edit, and require that they confirm, local account numbers (estimated cost \$10,800).
- ❖ Add a "select all" checkbox for administrators and users to add sites for all location codes in the My Locations section. Allow administrators and users to uncheck particular locations after selecting all (estimated cost \$15,600).
- ❖ Include the Colorado Account Number (CAN) used by the Department on city returns and reports (estimated cost \$2,700).
- ❖ Include taxpayer email address on city reports (estimated cost \$2,700).

## Current Experience

When registering, some retailers choose to create sites in every taxing area in the state. Others prefer to wait until they make sales into an area before opening a site. These retailers, and their tax preparers, would prefer to be able to add these sites through SUTS. One commentator mentioned that the current interface allows users to select or unselect all taxing areas, stating a preference for being able to select all then unselect specific areas.

Workgroup members wanted the ability to manage sites in SUTS. Prior to the June 2025 change, retailers and practitioners had to log into Revenue Online to manage sites. As noted above, users may now add sites through SUTS directly. However, the Department recommends providing state and local tax administrators with similar tools for maintaining sites using SUTS.

Both cities and practitioners commented on the lack of a process for confirming that the SUTS account is properly identified with the correct local account numbers. SUTS permits taxpayers to file returns even if they are not registered with a home rule city. However, if a taxpayer is registered, but has not correctly associated their SUTS account with their city account, SUTS treats the filing as if the taxpayer is not registered. This can lead to the creation of duplicate accounts particularly in cities that have automated the processing of returns from SUTS. One practitioner referred to the MyBiz Colorado process as a model for confirming existing accounts. MyBiz Colorado is an application

managed by the Secretary of State that allows businesses to register and license with multiple state agencies (including the Department of Revenue).

If returns are not properly associated with local accounts, the resulting duplication creates extra work for cities and for taxpayers. Cities may proceed as if the taxpayer failed to file, prompting a response from the taxpayer. The returns will then need to be transferred to the correct account. To be sure, some taxpayers filing through other channels can be expected to omit their account number or submit an erroneous account number causing similar unnecessary compliance work. However, the current process seems to be resulting error rates higher than one would expect from routine user errors.

## Recommended Improvements

When registering for an account, or adding new sites, one user suggested that SUTS provide a “select all” location codes option with the further ability to unselect unwanted locations. This functionality should be available both to users and tax administrators.

The user experience for home rule cities could be improved by clearer processes and requirements around local accounts. Specifically, taxpayers should be allowed to edit local account numbers. Taxpayers should be required to confirm their local account numbers to avoid creating duplicate accounts. Finally, including the taxpayer’s Colorado account number and email address on city returns and reports will help cities research and follow up on missing or erroneous information. Although users may now add sites through SUTS directly, tax administrators need similar tools for maintaining sites using SUTS to ensure that SUTS accounts align with state and local systems of record.

Finally, cities need additional information on system reports. These reports should reference the Colorado Account Number (CAN) used by the Department and the taxpayer’s email address.

## Changes that are Out of Scope or Not Recommended

Some users requested that the state and home rule cities use the same taxpayer identification number. The Department does not recommend making this change. Cities use several different systems of record. It is not known whether these systems could accommodate different numbering structures or the resources necessary to convert to a common numbering. Mandating use of the state number and account structure as a condition of accepting returns through SUTS could prompt some cities to stop participating. The risks of this outcome outweigh the benefits of a unified number.

# General Filing Process

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This section discusses the opportunities identified to improve the process of filing returns. This includes both methods of filing: the spreadsheet upload method, and the new direct entry method implemented as a result of HB23-1017.

## Summary of Recommendations and Estimated Costs

- ❖ Streamline the structure of the spreadsheet and improve the process for creating a spreadsheet template by adding drop down options to select deductions (estimated cost \$29,250).
- ❖ Allow users to move between fields using the tab key in the direct file portal (estimated cost \$13,650).
- ❖ Save progress automatically when navigating between steps (estimated cost \$23,400).
- ❖ Warn users when a new filing will replace existing work in progress (estimated cost \$780).
- ❖ Separate returns for home rule cities according to state jurisdiction codes and provide consolidated reports for cities that prefer them (estimated cost \$17,550).
- ❖ Provide instructions and training on filing when local option exemptions apply in state-administered jurisdictions (no additional cost).
- ❖ Provide guidance on filing when deductions exceed taxable sales (no additional cost).

## Current Experience

Some feedback was common to both filing methods. When navigating through the process, users reported that they must click a button to save work in progress. Users also stated that it is not clear when a new submission will overwrite prior work in the system.

For both filing methods, users requested the ability to enter negative values. In discussing this request, it became clear that users mainly wanted the ability to report returned goods and bad debts from prior period sales in excess of the net taxable sales for the current period. Users also wanted to take credit on the return for sales taxes they paid on the goods they sold. One written comment also requested that a deduction be added for sales made through a marketplace operated by a marketplace facilitator.

One workgroup member mentioned the fact that SUTS cannot currently accommodate special sales tax rates in all jurisdictions. Some home rule cities have special rates for sales of certain types of property such as prepared meals, groceries, and rental vehicles. Currently, only sales subject to the general sales tax may be reported in most cities. This member also believed that the spreadsheet return could not accommodate local option exemptions.

One final theme that was common between the two methods results from the difference between state and local account structures. The Department generally requires a site for each physical location and a site for each location code where a taxpayer makes delivery sales. Most cities seem to require the same, though some want only one return that reports all sales within the city. Even for

those cities with requirements like the state, the reporting sites will not always align. This occurs when parts of a city are within different counties or within and without a special district. For example, the city of Westminster is in two counties, which necessitates two location codes (one for each county). Users generally wanted home rule returns to follow the state structure. In particular, users want to be able to input state gross sales and have the system use that figure to calculate the local gross sales.

There was considerable feedback regarding the structure and functionality of the spreadsheet filing method. Users find the spreadsheet challenging to set up. This seems to be primarily related to the number of columns needed to accommodate exemptions and deductions. One user reported that she did not like the manual entry of a description for other deductions taken. This was added at the request of the cities pursuant to HB23-1017.

Some users prefer not to download a spreadsheet template every filing period even though that may improve the omission of local account numbers. Users dislike that the gross sales column is formatted as text rather than as a number. Some users would prefer more of the calculations to be shown in the spreadsheet to avoid the need to upload the spreadsheet, view the results, make adjustments, then upload again. Users were similarly frustrated with this trial-and-error approach to checking deduction codes.

Finally, one written comment suggested allowing users to use the “tab” key to navigate between fields when using the direct filing method.

## Recommended Improvements

One of the best opportunities for improving the system will come from revisiting the spreadsheet filing method. The deduction and exemption columns would benefit from consolidation. The process for creating the template could benefit from some interaction with the user to create a template customized to their filing situation. In revising the spreadsheet, particular attention should be paid to the desire to download the template once instead of downloading it for each filing period. Finally, columns for dollar amount fields like gross sales should be formatted as numbers.

SUTS does account for local options. The spreadsheet does not require users to detail local deductions for each jurisdiction. Rather, the system is programmed to apply the amount listed in an exemption column only to the jurisdictions that allow it. Users would benefit from clearer instruction regarding this functionality and the internal calculations that will be done when the data is processed.

Similar logic could be applied to consolidate the figures from several state location codes into a single city return for those cities that prefer such consolidation. However, using SUTS to calculate parts of the returns based upon the data uploaded means that the results will not be shown until after the upload. In other words, this path will not accommodate those who dislike the need to upload the spreadsheet to calculate and review the totals.

Clearer instruction and prompting regarding unsaved work will also benefit users. In some cases, the default behavior should be to save work in progress rather than waiting for action by the user to save. Users should be able to move between fields using the “tab” key.

## Changes that are Out of Scope or Not Recommended

Although some improvements can be made to consolidate deduction fields and reduce duplicate entry, SUTS is a portal for filing the returns required by the Department and by the various home rule cities. Separate returns will continue to be required. Furthermore, SUTS is not a return preparation tool. Although it can be programmed to calculate some values, it will not be able to prepare the returns for home rule cities using data input into the state return.

The issues involving excess deductions, marketplace sales, and credits are not SUTS issues because SUTS is acting consistent with existing Department policies. The Department does not permit deductions in excess of taxable sales on the sales tax return regardless of the filing method. If the deductions for bad debts or returned goods exceed taxable sales for the current period, the retailer may either carry forward the excess or file a claim for refund of the resulting tax. The workgroup discussion demonstrated the need for further guidance on this process.

The state sales tax return does not provide for a deduction for sales made through a marketplace operated by a marketplace facilitator. The purpose of enacting the marketplace facilitator provisions was to relieve marketplace sellers of the obligations and duties of being a retailer for sales facilitated by a marketplace facilitator. This relief is accomplished by shifting those obligations to the marketplace facilitator who is the deemed retailer with respect to those sales. Accordingly, the marketplace facilitator should be reporting those sales, and the marketplace seller should not include those sales in their gross sales.

The Department does not permit retailers to offset their overpayment of tax on wholesale purchases against the taxes collected from their customers. All purchasers claiming they paid state or state-administered local taxes erroneously on a purchase must file a buyer's claim for refund. Alternatively, the purchaser may work with the vendor to properly exempt the sale or obtain a refund after the fact.

The primary reason for processing these overpayments through buyer's claims is to ensure that local tax refunds are paid by the same locality that received the tax. Allowing retailers to unilaterally offset these overpayments presents a high risk of mismatch in this respect. Buyers' claims also allow the Department to confirm that the purchase was exempt and that the tax was paid to a licensed vendor.

Even if credit were allowed on the returns, it would be difficult to use SUTS to account for the offset because it is not a system of record. SUTS would need to collect details about the overpayments sufficient for GenTax to create the credit (from the proper vendors, tax periods, and jurisdictions) and properly apply it to the retailer's sales tax account. For these reasons, the Department does not recommend allowing negative values, deductions for marketplace sales, or credits for wholesale purchases to be processed through SUTS.

# Zero Returns and Nonfiler Procedures

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This section summarizes the discussion and recommendations regarding zero returns and the procedures for cases where a return has not been filed. Prior to the U.S. Supreme Court decision in *South Dakota v. Wayfair*, the Department, like most home rule cities, required retailers to file a sales tax return even if no tax was due for the reporting period. The principal purpose for requiring zero returns is to identify nonfilers who may be holding, or may have misappropriated, trust funds. As a result, nonfilers are sent a letter reminding them to file. If they do not respond, an estimated return is made on their behalf, and they are issued a notice of deficiency. Returns with no tax due may also result from exemptions and deductions the Department needs to track to report the value of tax expenditures.

After *Wayfair*, it became common for retailers to open reporting sites in all taxing areas even if they had not made a sale into an area or made sales in the area infrequently. This practice was resulting in a high volume of nonfiler notices and estimated returns that were not indicative of underlying trust fund risks. As a result, the Department stopped sending nonfiler notices to retailers who failed to file a return for a nonphysical (delivery only) reporting site. Some home rule cities have also stopped automatically contacting some or all nonfilers.

At the same time, the Department changed the filing procedure in Revenue Online. Essentially, the system now asks users whether they wish to file a zero return for all remaining nonphysical sites when they have completed the returns for select sites. Similar functionality was incorporated into the direct entry filing method for SUTS.

## Summary of Recommendations and Estimated Costs

- ❖ Add a prompt to the spreadsheet filing process asking users for permission to transmit zero returns to all unreported jurisdictions (estimated cost \$15,600).
- ❖ Allow home rule cities the option to forego downloading zero returns (estimated cost \$15,600).

## Current Experience

Users continue to report that it is easy to overlook a required zero return. As a result, users continue to request the system to assume that the taxpayer intended to file a zero return if they did not enter other data into the return filing. At the same time, not all cities require a zero return. Furthermore, at least one city workgroup member stated they would prefer not to receive a zero return if the taxpayer had no activity in the city. Automatically sending zero returns to all cities could also trigger account creation especially in cities that are integrated with SUTS or who have automated the processing of SUTS data.

Some workgroup members expressed concerns about local laws or policies for nonfilers. Specifically, concerns were raised about imposing penalties for late zero returns, particularly when a previously unlicensed retailer was trying to come into compliance. Another workgroup member indicated that they had received a summons (or a threat of a summons) to municipal court.

## Recommended Improvements

Foremost, adding a prompt similar to Revenue Online would avoid users unintentionally missing a zero filing. Once users affirm their intent to file zero returns in remaining jurisdictions, SUTS should create zero returns only for those jurisdictions for which the user has a confirmed account to avoid opening local account unnecessarily. The success of this approach will depend upon users confirming their local accounts. The varying needs and practices of home rule cities could then be accommodated by giving the city the option to receive all returns or only returns reporting activity.

## Changes that are Out of Scope or Not Recommended

Several comments recommended changes to local laws, local procedures, or state restrictions to achieve greater uniformity among home rule cities with respect to nonfilers. These suggestions are beyond the scope of SUTS functionality improvements. Furthermore, the flexible approach suggested above should accommodate the differing procedures among the cities. Those who require zero returns will be more likely to get them, and those who do not want zero returns can filter them out.

One written comment requested that cities receive an email upon filing to avoid the need for taxpayers to provide records showing when they filed. The Department does not recommend implementing this solution. City workgroup members have not suggested that additional information is needed. However, if cities need additional information regarding completed filings, the Department recommends modifying existing reports or creating new reports.

# Payment Processing and Settlement

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This section discusses the processes for applying and accounting for payments including the settlement of payments with home rule cities. The discussion of credits for taxes paid by the retailer is also relevant to this section (see [General Filing Process](#), above).

## Summary of Recommendations and Estimated Costs

- ❖ Reject returns and payments only if the amount paid differs from the calculated amount due by more than \$50. Allocate all overpayments and underpayments to state sales tax. (estimated cost \$35,490).
- ❖ Provide the user with timely notice when payments and filings are rejected (estimated cost \$19,500).
- ❖ Add the filing period and jurisdiction detail to the transaction receipt email (estimated cost \$13,650).
- ❖ Display the return and payment batch numbers on the taxpayer homepage as well as all receipt documentation (estimated cost \$27,300).
- ❖ Continue investigating ways to achieve faster settlement of funds into city accounts (see below).

## Current Experience

Overall, the workgroup discussions highlighted the fact that there still seems to be confusion about the scope of the SUTS system. More particularly, some users do not understand that separate returns are required for the state (including state-administered local jurisdictions) and for the home rule cities. A city workgroup member reported cases where the taxpayer was certain they had filed a city return when, in fact, they had filed a state return for the site that covers the city's taxing area. The workgroup member also reported cases where the taxpayer thought they had filed, but review of their account showed the returns were still pending. Further training and instruction on the separate nature of the city and state filings may be needed.

One of the most significant barriers to gaining adoption by large filing services results from the requirement that ACH credit payments match the amount due exactly. This rule ensures that SUTS can allocate the payment among the jurisdictions correctly. ACH credit payments are initiated by the taxpayer and "pushed" to the SUTS account. This issue is not present with ACH debit and credit card payments, which are "pulled" by SUTS into the SUTS account based upon the filing.

Workgroup members explained that the process for making these payments is initiated prior to filing based upon the total liability calculated by the taxpayer's tax software. This pre-filing payment process is driven by the taxpayer's accounting policies. Payments will be initiated even earlier if the taxpayer is funding a payment account that will be used by a service provider to remit return payments.

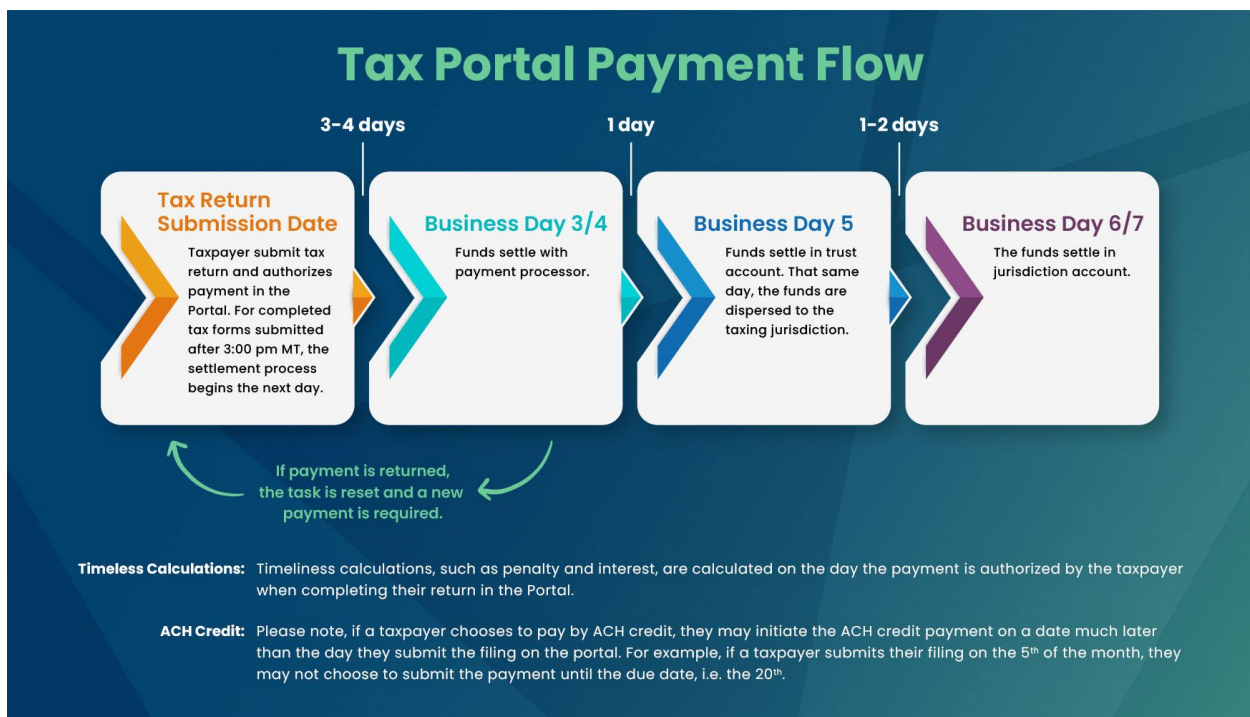
SUTS does not require the taxpayer to calculate and enter a value for each line of the return. Certain fields are calculated. While this limits the data that must be input, and reduces calculation errors,

sometimes the SUTS calculated totals will differ from the taxpayer’s calculations by a small amount. Because the taxpayer’s payment was already in process, the resulting mismatch causes the rejection of the return and the payment. Furthermore, users reported that there was not a sufficient mechanism for receiving notification of the rejection.

The discussion regarding payment matching generated interest from some taxpayers and cities in allowing taxpayers to file without making any payment. One commentator viewed the inability to file without payment as a barrier to taxpayers coming into compliance. This commentator wanted the ability to file past due returns centrally and then make arrangements with the Department and the cities for payment plans and waiver of penalty. At least one city agreed that it would be best to get the returns even if the taxpayer was unable to pay.

Both taxpayers and cities raised concerns with the timing of payments settling into city accounts. The settlement timeframe also drives the receipt of return information by cities. Depending upon how the cities handle nonfilers, taxpayers may receive nonfiler notices if the payments are not settled before their system deadline.

As the graphic below illustrates, the current minimum settlement timeframe requires three business days for the funds to settle with the payment processor. Payment processing data from December 2024 through June 2025 show that the median time to settle funds with the payment processor is under four days. Of the close to 18,900 payments reviewed during this time frame, less than 1% (146 of 18,885) settled in 5 days.



The trust account is simply a clearing account. When funds settle into the trust account, they are sent out to jurisdictions the same day. Prior to settlement, there are no funds in the account to be disbursed. Because the money is immediately disbursed, it is important to ensure that the payment fully settles prior to distributing the funds to the cities. In total, there is a minimum of five business

days from the date the taxpayer submits their returns and payment information to the time funds are disbursed to the appropriate jurisdiction.

Regardless of the payment method, the amount due to all jurisdictions is paid by one payment. As a result, if the taxpayer does not complete the filing process because they are unable to pay one or more jurisdictions, no jurisdiction will receive a return or a payment. Taxpayers who pay by ACH credit may file early and wait until the due date to initiate the payment. ACH credit and ACH debit payments may be delayed by the taxpayer's bank in settling with the payment processor or may be returned. Any of these delays will delay the receipt of funds and returns by all jurisdictions included in the filing.

## Recommended Improvements

It is not uncommon for a taxpayer's payment to differ from the system's calculation of tax due. The Department's practice is to automatically write off small balances on direct filings. Bills or credits are generated for larger differences.

For ACH credit payments, SUTS should not reject a filing if the payment is within \$20 of the total due. Any overpayments or underpayments should be allocated to the state sales tax. The Department will handle the difference through its current minimum balance procedures. As discussed above, this change should only impact ACH credit filers, and the differences should be limited to minimal rounding errors.

If payments are rejected, SUTS should promptly send a notice to that effect to the taxpayer. Requiring the payment amount to be reported by the taxpayer should reduce post-filing rejections as discussed above. If it is determinable, the notice of rejection should explain why the payment was rejected to help the taxpayer avoid future rejections. Similarly, the taxpayer should receive a clear receipt of payment. The receipt should detail not only the total paid, but the amount paid for each jurisdiction and filing period.

Finally, to aid cities and taxpayers in documenting filings and payments, we recommend adding the filing period and jurisdiction detail to the transaction receipt taxpayers receive by email. We also recommend showing the return and payment batch numbers on the taxpayer's homepage and on all receipts.

## Settlement Timeframes

The Department understands the importance of prompt settlement of payments and transmission of returns to the city. We will continue to investigate cases where the settlement does not occur within the standard five to seven business day period. If we can discern root causes that are within our control, we will make improvements accordingly.

Our vendor, GovOS, has suggested that additional automated settlement tools, pre-settlement reporting, or both could improve the experience of our city partners. We have included their estimates of these tools in the cost summary at [Appendix C](#). We will further investigate the utility of these solutions for future funding requests.

## Changes that are Out of Scope or Not Recommended

We do not recommend changing the filing portal to accept returns without payment. We recommend focusing our resources and efforts on making other improvements which, in our opinion, are more likely to gain users filing routine returns. While there may be a sufficient use case for unpaid returns in the future, we believe it is more important to continue focusing on the core use case before we turn to more special circumstances.

# Other Issues Discussed

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This section discusses some of the other recommendations made for SUTS, including those for the Colorado Sales Tax Lookup (GIS) tool. Although the Task Force requested that we focus on the filing portal, we believe some of the GIS recommendations are worth considering.

## Summary of Recommendations and Estimated Costs

- ❖ Allow the GIS to be searched by Department location code and add links in the GIS to home rule city websites (estimated cost \$75,000 (plus \$37,500 ongoing maintenance)).

## Current Experience

The GIS can be searched using address or coordinates, by clicking on the map, or by uploading a file of addresses. One of the items returned for a location is the Department's location code. Location codes represent unique taxing areas covered by a combination of taxing jurisdictions. For example, location code 12-0043 represents that part of Westminster that is within Adams County, the Regional Transportation District, and the Scientific and Cultural Facilities District. The remainder of Westminster (the part in Jefferson County) is represented by location code 11-0142. Users would like to be able to input these codes and return the jurisdiction and rate information. Finally, users would like the GIS to provide links to the tax websites for home rule cities.

## Recommended Improvements

Adding a search by location code function and website linking are both recommended.

## Changes that are Out of Scope or Not Recommended

One user requested that SUTS allow retailers to report sales for the entire state into a "Colorado only" jurisdiction. This retailer sells building materials to contractors who have paid county and city taxes when obtaining a permit. The Department currently requires all retailers to report sales on a site-by-site basis. Therefore, we do not recommend allowing all state sales to be aggregated in SUTS.

One written comment requested the ability to file amended returns. Because SUTS is not a system of record, it does not have the information necessary to manage amended returns. Even if a user filed the original return through SUTS, there could have been changes to the return made by the jurisdiction, for example, as the result of an audit. Therefore, we do not recommend allowing amended returns to be filed through SUTS at this time.

One user requested the ability for the GIS to calculate the tax, collect the payment from the customer, and transmit the tax automatically to the jurisdictions. This request is beyond the scope of a central sales tax return filing portal. It is more in the nature of a point-of-sale system or tax compliance software.

## **Appendix A: Task Force Letter**



## Sales and Use Tax Simplification Task Force

State Capitol Building, Room 029  
Denver, Colorado 80203-1784  
(303) 866-3446



September 25, 2024

Brendon Reese, Senior Director, Taxation Division  
Colorado Department of Revenue  
1881 Pierce St.  
Lakewood, CO 80214

Dear Mr. Reese,

I am writing on behalf of the Sales and Use Tax Simplification Task Force ("Task Force") to formally request that the Department of Revenue convene a working group of stakeholders to study taxpayer use of the Colorado Sales and Use Tax System centralized filing portal (the "portal") and to recommend improvements that would increase portal use. This request was discussed during the August 14, 2024 and September 25, 2024 meetings of the Task Force.

The Task Force requests that, after convening the working group, the Department of Revenue leads the group of stakeholders in completing the following tasks related to the portal:

- Identifying functionality gaps;
- Determining system and user requirements;
- Evaluating proposed solutions to fix gaps and increase taxpayer use;
- Recommending solutions to the Task Force;
- Estimating costs for the recommended solutions; and
- Presenting a report detailing the above information at the first meeting of the Task Force in 2025;

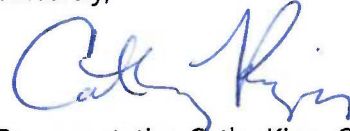
With the goal of making the portal easier to use by taxpayers and municipalities in order to increase usage.

The Task Force requests that the Department of Revenue recruit at least one stakeholder from each of the following groups to comprise the working group:

- The Department of Revenue;
- The Colorado Municipal League;
- Business owners;
- Tax practitioners;
- Third party tax compliance service providers; and
- Sales and Use Tax software providers.

The Task Force requests that the working group meet at least five times between October 1, 2024, and the date of the first meeting of the Task Force that occurs during the 2025 legislative interim. The working group may hear and consider public testimony related to the portal in order to prepare to present recommendations to the Task Force.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cathy Kipp". The signature is fluid and cursive, with the first name "Cathy" and the last name "Kipp" clearly distinguishable.

Representative Cathy Kipp, Chair

## **Appendix B: Workgroup Agendas**



**COLORADO**  
Department of Revenue  
Taxation Division

Office of Tax Policy  
P.O. Box 17087  
Denver, CO 80217-0087

[DOR\\_TaxPolicy@state.co.us](mailto:DOR_TaxPolicy@state.co.us)

## **AGENDA**

### **SUTS Functionality Workgroup - Meeting 1**

February 28, 2025, at 10:00am  
1881 Pierce Street  
Lakewood, CO 80214

Colorado Department of Revenue  
Entrance B, Room 110

#### **Background Information**

As previously announced, the Colorado Department of Revenue, Division of Taxation, is convening a workgroup to study taxpayer use of the [Colorado Sales and Use Tax System \(SUTS\)](#), particularly the filing portal. The goal of the study is to formulate a set of recommended improvements that would increase portal use. The Task Force asked the workgroup to:

- Identify functionality gaps;
- Determine system and user requirements;
- Evaluating proposed solutions to fix gaps and increase taxpayer use;
- Recommend solutions to the Task Force;
- Estimate costs for the recommended solutions; and
- Present a report detailing this information.

We appreciate the strong response to our request for workgroup applicants. We have selected a panel from those responses and notified the workgroup members separately of their selection. Although we will focus on input from workgroup members, workgroup meetings will be open to the public with opportunities for public comment. Workgroup members and others may also submit written input to [DOR\\_TaxPolicy@state.co.us](mailto:DOR_TaxPolicy@state.co.us).

The workgroup's primary focus will be to formulate recommendations for specific improvements that will increase use and usability of the filing portal. To that end, workgroup meetings will include limited reviews of current functionality. Workgroup meetings are not intended to be training opportunities. For those interested in learning more about how to use the system, we recommend reviewing the [SUTS help page](#) on our website as well as our [education and training](#) offerings.

#### **Meeting Details**

The first meeting of the workgroup will be held **Friday, February 28, 2025, at 10:00am** in person at the Department's office at 1881 Pierce Street in Lakewood.

In addition to other matters the Department may open for discussion, the following items are scheduled for consideration at the first workgroup meeting:

- Welcome and introductions of staff and workgroup members.

- Review the request from the Simplification Task Force and discuss the scope of the workgroup's charge.
- View a high-level demonstration of recently added functionality.
- Discuss early data regarding the use of the upgraded portal.
- Planning for future meetings.
- Other public comments or issues for consideration.
- Adjourn

### **Resources**

- Workgroup materials and public comments may be accessed on the [SUTS Functionality Workgroup 2025](#) public drive.
- Written input may be submitted to [DOR\\_TaxPolicy@state.co.us](mailto:DOR_TaxPolicy@state.co.us). Written comments will be made available publicly with limited redactions. Please do not include any account-specific details in public comments.
- SUTS Help page: <https://tax.colorado.gov/SUTS-help>



# COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy  
P.O. Box 17087  
Denver, CO 80217-0087

DOR\_TaxPolicy@state.co.us

## AGENDA

### **SUTS Functionality Workgroup - Meeting 2**

March 28, 2025, at 10:00am

Colorado Department of Revenue  
1881 Pierce Street  
Entrance B, Room 110  
Lakewood, CO 80214

Call-In Number: 1 (669) 900-6833

Zoom Meeting ID: 839 6776 3714

The agenda for the second meeting of the workgroup studying taxpayer use of the [Colorado Sales and Use Tax System \(SUTS\)](#) follows. The goal of the study is to formulate a set of recommended improvements that would increase portal use. The Task Force asked the workgroup to:

- Identify functionality gaps;
- Determine system and user requirements;
- Evaluating proposed solutions to fix gaps and increase taxpayer use;
- Recommend solutions to the Task Force;
- Estimate costs for the recommended solutions; and
- Present a report detailing this information.

### **Meeting Details**

In addition to other matters the Department may open for discussion, the following items are scheduled for consideration at the second workgroup meeting:

- Provide an overview of the strategic themes that will be covered during this meeting and the third meeting in April.
- Review the user feedback gathered prior to making HB23-1017 upgrades and discuss how that feedback was implemented.
- Discuss the following strategic themes:
  - Account setup and maintenance including:
    - Opening and closing sites;
    - Confirming local account numbers; and
    - Automatically creating local accounts.
  - General filing procedures:
    - Saving work-in-process data;
    - Negative values;
    - Modifications to the spreadsheet filing process;

- Using state sales to complete self-collecting home rule city returns;
- Simplification of deduction lines; and
- Consolidated return schedules for certain cities.

For each of the themes, answer the following questions:

- o What are users currently experiencing?
- o How is the current functionality a barrier to portal use?
- o How would users prefer that the system functioned?
- Other public comments or issues for consideration.
- Adjourn

### **Next Meeting**

The next workgroup meeting is scheduled for April 25, 2025, at 10:00am. An agenda will be distributed prior to the meeting.

### **Resources**

- Workgroup materials and public comments may be accessed on the [SUTS Functionality Workgroup 2025](#) public drive.
- Written input may be submitted to [DOR\\_TaxPolicy@state.co.us](mailto:DOR_TaxPolicy@state.co.us). Written comments will be made available publicly with limited redactions. Please do not include any account-specific details in public comments.
- [Sign up to receive email](#) meeting notices, agendas, and other SUTS updates. Click on the “Sign Up for Multiple Lists” button and check the “Tax Topic - Sales & Use Tax System (SUTS)” box along with any other mailing lists of interest.
- SUTS Help page: <https://tax.colorado.gov/SUTS-help>



# COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy  
P.O. Box 17087  
Denver, CO 80217-0087

DOR\_TaxPolicy@state.co.us

## AGENDA

### **SUTS Functionality Workgroup - Meeting 3**

April 25, 2025, at 10:00am

Colorado Department of Revenue  
1881 Pierce Street  
Entrance B, Room 110  
Lakewood, CO 80214

Call-In Number: (669) 900-6833  
Zoom Meeting ID: 893 0620 7436

The agenda for the third meeting of the workgroup studying taxpayer use of the [Colorado Sales and Use Tax System \(SUTS\)](#) follows. The goal of the study is to formulate a set of recommended improvements that would increase portal use. The Task Force asked the workgroup to:

- Identify functionality gaps;
- Determine system and user requirements;
- Evaluating proposed solutions to fix gaps and increase taxpayer use;
- Recommend solutions to the Task Force;
- Estimate costs for the recommended solutions; and
- Present a report detailing this information.

### **Meeting Details**

In addition to other matters the Department may open for discussion, the following items are scheduled for consideration at the third workgroup meeting:

- For each of the following strategic themes, discuss these key questions:
  - What are users currently experiencing?
  - How is the current functionality a barrier to portal use?
  - How would users prefer that the system functioned?
- Strategic themes for discussion:
  - Zero returns and non-filer procedures.
  - Payment processing including:
    - Return uploads as pending when awaiting payment confirmation;
    - Matching payment amounts with liabilities;
    - Notification procedures for rejections;
    - Settlement timeframes for cities;
    - Application of credits; and

- Returns without payment or partial payment.
- o Integrations and Filing Services
  - Integration with tax engines and accounting software; and
  - Bulk return uploads.
- o Other Items
  - Acceptance of state use tax returns;
  - Refund claims;
  - Credit for taxes paid to other states;
  - Colorado-only jurisdiction for construction;
  - Filing frequencies for occasional users.
- Other public comments or issues for consideration.
- Adjourn

## Resources

- Workgroup materials and public comments may be accessed on the [SUTS Functionality Workgroup 2025](#) public drive.
- Written input may be submitted to [DOR\\_TaxPolicy@state.co.us](mailto:DOR_TaxPolicy@state.co.us). Written comments will be made available publicly with limited redactions. Please do not include any account-specific details in public comments.
- SUTS Help page: <https://tax.colorado.gov/SUTS-help>

# **Appendix C: Estimated Cost Summary**

**SUTS Functionality Study  
Estimated Cost Summary**

<b>Recommendation</b>	<b>Estimated Cost*</b>
<u>Account Setup and Maintenance</u>	
1. Allow taxpayers to add reporting sites through SUTS.	\$ -
2. Allow administrators to add and remove sites from SUTS accounts through the administrator panel.	\$ 33,150
3. Allow taxpayers to edit, and require that they confirm, local account numbers.	\$ 10,800
4. Add a "select all" checkbox for administrators and users to add sites for all location codes in the My Locations section. Allow administrators and users to uncheck particular locations after selecting all.	\$ 15,600
5. Include the Colorado Account Number (CAN) used by the Department on city returns and reports.	\$ 2,700
6. Include taxpayer email address on city reports.	\$ 2,700
Subtotal	\$ 64,950
<u>General Filing Process</u>	
6. Streamline the structure of the spreadsheet and improve the process for creating a spreadsheet template by adding drop down options to select deductions.	\$ 29,250
7. Allow users to move between fields using the tab key in the direct file portal.	\$ 13,650
8. Save progress automatically when navigating between steps.	\$ 23,400
9. Warn users when a new filing will replace existing work in progress.	\$ 780
10. Separate returns for home rule cities according to state jurisdiction codes, and provide consolidated reports for cities that prefer them.	\$ 17,550
11. Provide instructions and training on filing when local option exemptions apply in state-administered jurisdictions	\$ -
12. Provide guidance on filing when deductions exceed taxable sales	\$ -
Subtotal	\$ 84,630
<u>Zero Returns and Nonfiler Procedures</u>	
13. Add a prompt to the spreadsheet filing process asking users for permission to transmit zero returns to all unreported jurisdictions.	\$ 15,600
14. Allow home rule cities the option to forego downloading zero returns.	\$ 15,600
Subtotal	\$ 31,200
<u>Payment Processing and Settlement</u>	
15. Reject returns and payments only if the amount paid differs from the calculated amount due by more than \$20. Allocate all overpayments and underpayments to state sales tax.	\$ 35,490
16. Provide the user with timely notice when payments and filings are rejected.	\$ 19,500
17. Add the filing period and jurisdiction detail to the transaction receipt email.	\$ 13,650
18. Display the return and payment batch numbers on the taxpayer homepage as well as all receipt documentation.	\$ 27,300
Subtotal	\$ 95,940
19. Continue investigating ways to improve city funding settlement timeframes. Potential solutions include:	
a. Adding automated settlement tools.	\$ 156,000
b. Adding pre-settlement reporting.	\$ 117,000
<u>Other Issues Discussed</u>	
20. Changes to the GIS search and interface - One Time	\$ 75,000
21. Changes to the GIS search and interface - Ongoing	\$ 37,500
<b>Grand Total - One Time Costs</b>	<b>\$ 351,720</b>
Grand Total Including 19.a.	\$ 507,720
Grand Total Including 19.b.	\$ 468,720
Grand Total Including 19.a. and 19.b.	\$ 624,720
Total Ongoing Costs	\$ 37,500

\* Except as indicated, costs are one-time costs for programming.

## **Appendix D: Public Comment**

STATE OF  
COLORADO

TaxPolicy - DOR, DOR\_ &lt;dor\_taxpolicy@state.co.us&gt;

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## SUTS Functionality Study

1 message

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James Leavitt [REDACTED]  
To: DOR\_TaxPolicy@state.co.us

Tue, Oct 14, 2025 at 12:10 PM

To whom it may concern,

Our team currently spends a significant amount of time each month addressing issues that could be streamlined or eliminated entirely with system improvements. I hope the following observations will help identify opportunities to enhance system functionality:

### **Artifact (Documentation of return and payment)**

When completing returns, we've noticed that artifacts or proof of filing cannot be retrieved without first notifying SUTS to generate the return.

### **Speed of SUTS**

The SUTS site load time is significantly longer than all other filing portals used.

### **Missing Locations**

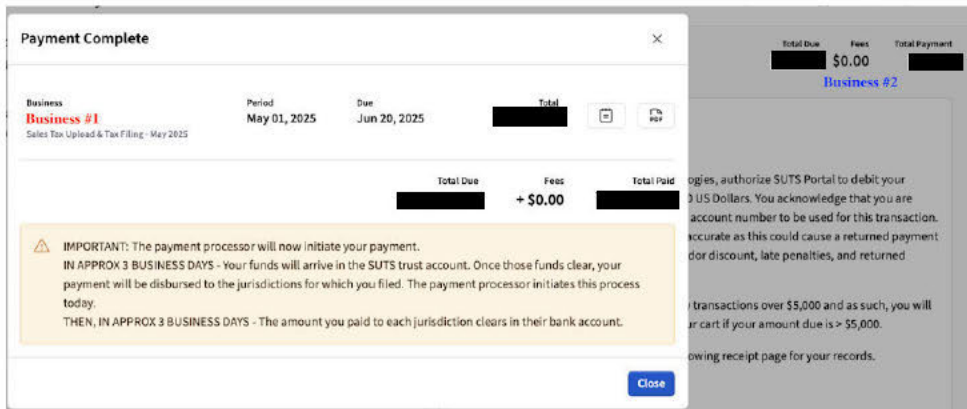
When filing returns, we occasionally encounter approved home rule or state locations that generate error messages at the time of upload stating "invalid rates" or "unsupported location," even though the location is listed as supported.

Example: In August 2025, SUTS was not allowing us to add the state location for [REDACTED] [REDACTED]. This affected multiple businesses, and additional outreach was required to have GovOS resolve this issue and add this missing location in order for us to file the July 2025 returns.

### **Payments Being Submitted to the Wrong Account or Customer**

When filing for multiple businesses, if a payment is left in the cart, it may be incorrectly applied to another business rather than the intended one.

Example: A [REDACTED] payment for Business #1 was submitted with the banking details of Business #2 due to a site issue. Additional outreach and manually requesting the payment be canceled were needed to resolve this issue, and then we had to resubmit the return and payment under the correct business.



### Unable to Cancel or Amend a Return/Payment

SUTS does not provide the ability to amend a return once it has been filed.

If there is an error with a payment, there is no feature to stop or cancel the payment without calling and submitting a manual request.

### Penalties and Interest (P&I) Assessed to \$0 Home Rule Jurisdictions

Home rule locations are being assessed P&I fees even when the return amount is \$0.

In these cases, the home rule sites do not assess such fees, so it's unclear why SUTS does.

Additionally, state-level P&I does not display on SUTS, which requires submitting an additional payment directly through the state site once the return has been sent — often several weeks later.

Examples of Home Rule Jurisdictions that show P&I for \$0 returns:



### Notices of Delinquency from Home Rule Jurisdictions Despite Timely Filing

This issue results in the highest amount of time spent resolving notices. These notices typically come from self-collected home rule jurisdictions that were filed on time, but due to a communication breakdown between SUTS and the home rules, the return is not properly received. We often receive delinquency notices from multiple home rules indicating that a return has not been filed, along with assessed P&I. This causes customer frustration and results in approximately 10–12 additional hours each month spent resolving these notices.

Examples:

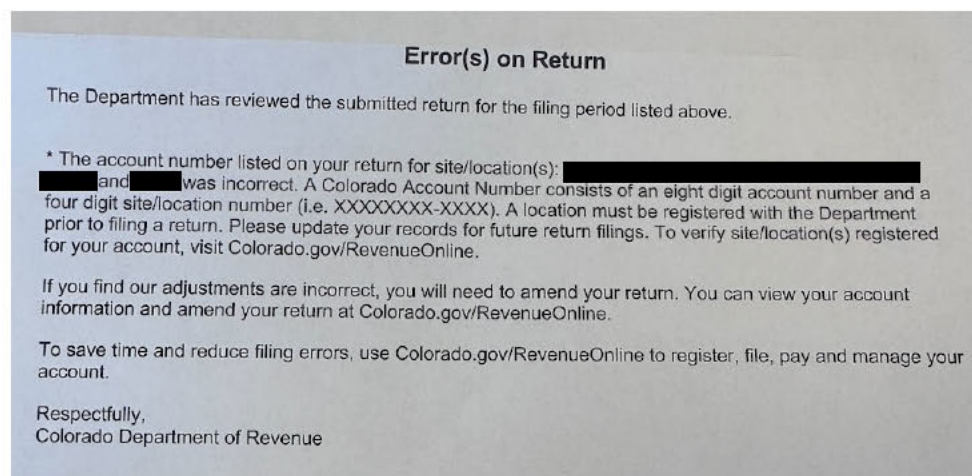
- February 2025 [redacted] notice. Return and payment filed timely on 3/19/2025, but a delinquent notice was still sent out. [redacted] confirmed on 6/23/2025 that the February 2025 return wasn't sent from SUTS until 4/22/2025.
- December 2024 [redacted] notice. \$0 filed timely on 01/16/2025. [redacted] confirmed on 5/27/2025 that they

had not received this return from SUTS, and additional outreach was needed as several delinquent notices were sent out regarding this return that was filed timely.

## Duplicate Locations and Duplicate Notices

When adding or filing a location in SUTS, we've seen duplicate locations generated without any error message. This causes returns to be filed under a second home rule account, or issues with the state processing the return. As a result, a delinquency or error notice is issued for the duplicate locations, leading to additional work hours to resolve the issue.

Example: An error notice for duplicate state locations that was sent out by Revenue Online after a filing was completed in SUTS. Additional time was spent manually reviewing the return and removing those duplicate locations to resolve the issue and allow the return to process successfully.



## P&I Waiver

When a return is filed late or at the deadline due to SUTS-related delays, we request that SUTS have the ability to automatically waive all P&I. This would eliminate the need to contact each home rule and the state individually, saving significant time spent resolving issues caused by SUTS delays.

## Ability to File Without Payment

We request the option to file a return without submitting payment. Customers may need to have the return filed before arranging payment plans or applying available credits with the home rule or state.

## Notification for All Payment Rejections/Voids

Notices are not always received for rejected or voided payments. We have seen several payments voided due to a system issue without any notification explaining the reason for rejection.

This issue has caused both additional hours of follow-up and several hundred dollars in avoidable P&I assessments that could have been prevented with proper notification.

**Additional Request**

We request that an automated email be sent to each home rule jurisdiction confirming that a return has been filed on time.

This would help prevent additional delinquency notices caused by delayed batch submissions from SUTS.

Our team is available to collaborate via email or video conference to help improve the functionality of the SUTS system. We also have engineers who are ready to engage directly with your engineering team to discuss technical details and work toward making the processes and system more reliable and efficient.

Thank you and best regards,