

Colorado Real Property Withholding Tax

With certain exceptions, all sales of Colorado real property over \$100,000.00 by nonresidents are subject to withholding tax in anticipation of the Colorado income tax that may be due on any gain from the sale.

WHO IS SUBJECT TO THE WITHHOLDING

Any nonresident Seller who is an individual, estate or trust is subject to the withholding tax if either the federal Form 1099-S is filed with the Internal Revenue Service or the transaction shows an address outside of the state of Colorado for the seller/transferor.

A Corporate transfer will be subject to withholding if immediately after the transfer of title, the Corporation cannot certify that they retain a permanent place of business in Colorado.

AMOUNT OF WITHHOLDING

The amount of the withholding tax shall be the smaller of these two amounts:

2% of the sales price OR

Net Proceeds.

EXCEPTIONS TO WITHHOLDING

- Selling price of the property is less than \$100,000.00
- The Transferee is a Bank
- The Transferee is a Corporation incorporated under Colorado Law or currently registered with the Secretary of State and is authorized to transact business in Colorado
- Individual, estate or trust and both the 1099 and DR1083 certification shows a Colorado address for the transferor
- Property being conveyed is the principal residence of the seller
- Written affirmation at closing from seller/transferor certifying to the above via DR1083 at closing

For more information, also see www.TaxColorado.com

No legal or tax advice is being communicated in this flyer.

All Parties should seek legal advice from tax professional, or attorney

Source: Colorado for DR1083/instructions



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