

COLORADO PARTNERSHIP OR S CORPORATION RETURN OF INCOME AND COMPOSITE NONRESIDENT INCOME TAX RETURN

TaxColorado.Com

Colorado Department of Revenue
Tax Forms, Information and E-Services

2008

- Return is due three and one-half months after the close of the tax year. **MAIL TO: Colorado Department of Revenue, Denver, Colorado 80261-0006.**
- Partnerships and S corporations with nonresident members should file a composite return for those members. Complete lines 10-23 of Form 106 to pay the tax on the Colorado source income.
 - > No other forms must be completed.
 - > No special election or signature is required by the member for inclusion.
 - > Members do not have to file a Colorado individual return.



In lieu of a composite return, there are two other options that partnerships and S corporations can use to meet the nonresident member filing requirements. However, these options require additional forms and cannot be used if the member will not be filing a Colorado individual return. See page 4 for details.

Modernized e-File (MeF) Partnership/S-Corporation Electronic Filing Both Federal and Colorado returns

For information and availability, see
www.revenue.state.co.us/corporationefile

Colorado Online Tax Payments

For information and availability, see
www.colorado.gov/paytax

2008 COLORADO NONRESIDENT PARTNER OR SHAREHOLDER AGREEMENT

Taxable Year of Partnership or S Corporation: BEGINNING _____, 20__ ENDING _____, 20__		
Taxable Year of Partner or Shareholder: BEGINNING _____, 20__ ENDING _____, 20__		
NONRESIDENT PARTNER OR SHAREHOLDER'S NAME AND ADDRESS	PARTNERSHIP OR CORPORATION'S NAME AND ADDRESS	
Name	Name	
Street or Mailing Address	Street or Mailing Address	
City, State, ZIP	City, State, ZIP	
Social Security or Colorado Account Number	Colorado Account Number	Federal Number (FEIN)
<p>I agree to file a 2008 Colorado income tax return and make timely payment of all taxes imposed by the State of Colorado with respect to my share of the Colorado income of the partnership or corporation named above. I also agree to be subject to personal jurisdiction in the State of Colorado for purposes of the collection of unpaid income tax together with related penalties and interest.</p>		
Taxpayer's or authorized agent's signature		Date
Attach this agreement to Colorado Form 106.		

Forms DR 0107 and DR 0108 are to be used with respect to nonresident partners or shareholders of an S corporation. See instructions for completing Form 106 for additional information. Photocopy additional copies of these forms as needed.



IF NO PAYMENT IS DUE, DO NOT FILE FORM DR 0108
 ▼ RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT ▼

(18)

2008 DR 0108
 COLORADO DEPARTMENT OF REVENUE
 www.TaxColorado.com

Statement of Colorado Tax Remittance For Nonresident Partner or Shareholder

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Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write the partner's or shareholder's social security number or Colorado Account Number and "2008 DR 0108" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Nonresident Partner's or Shareholder's Name (Last Name, First Name, M.I.)		Social Security or Colorado Account Number	
Address			
City		State	ZIP
Partnership or Corporation's Name		Colorado Account Number	
Address		Federal Employer Identification Number	
City		State	ZIP

IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM.

The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

1. Colorado source income for nonresident partner or shareholder	\$	_____ .00
2. Colorado tax remitted, 4.63% of amount on line 1.	(08)	\$ _____ .00

DO NOT WRITE IN SPACE BELOW

INSTRUCTIONS FOR EXTENSION PAYMENT VOUCHER FOR COMPOSITE FILING

Colorado income tax returns are due to be filed three-and-one-half months after the close of the tax year.

An automatic six-month extension of time for filing the Colorado composite income tax return is allowed for all taxpayers. However, an extension of time to file is not an extension of time to pay the tax. If at least 90% of the net tax liability (line 15, Form 106) is not paid by the original due date of the return, penalty and interest will be assessed. If 90% or more of the net tax liability is paid by the original due date of the return and the balance of the tax is paid when the return is filed by the last day of the extension period, only interest will be assessed.

Form 158N is to be used to make whatever payment must be made by the original due date of the return to meet the 90% requirement.

If after the original due date of the return it is found that the amount that has been paid is insufficient to meet the 90% requirement, additional payment should be submitted as soon as possible to reduce further accumulation of penalty and interest. Make such payment on Form 158N.

A federal extension of time for filing will not be accepted for Colorado purposes.

Check online at www.colorado.gov/paytax to see if your extension payment can be made electronically.

Submit Form 158N with payment to: Colorado Department of Revenue
Denver, CO 80261-0008

DO NOT SUBMIT FORM 158N WITHOUT A PAYMENT.



IF NO PAYMENT IS DUE, DO NOT FILE FORM 158N
RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT

(29)

2008 FORM 158N
COLORADO DEPARTMENT OF REVENUE
www.TaxColorado.com

Payment Voucher for Extension of Time for Filing a Colorado Composite Nonresident Income Tax Return

Vendor ID

70

For the calendar year 2008 or the fiscal year: Start Date: _____, 2008 End Date: _____.

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your Colorado Account Number and "2008 Form 158N" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Name		Colorado Account Number	
Address		Federal Employer Identification Number	
City	State	ZIP	

IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM.

The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

Amount of Payment
(08) \$ _____ .00

DO NOT WRITE IN SPACE BELOW

INSTRUCTIONS FOR COMPLETING FORM 106

WHO MUST FILE FORM 106

Any partnership, joint venture, common trust fund, limited association, pool or working agreement, limited liability company or any other combination of persons or interests, which is required to file a federal partnership return of income, must file a Colorado Form 106 if any of the partnership income is from Colorado sources.

An S corporation must file Form 106 for any year it is doing business in Colorado. Doing business in a state is defined as having income arising from the activity of one or more employees located in the state; or arising from the fact that real or personal property is located in the state for business purposes. A corporation will be deemed to be doing business in Colorado if it is engaged in any activities in Colorado which are beyond the protection afforded by Public Law 86-272.

An S corporation is a corporation for which a valid election is in effect under section 1363(a) of the Internal Revenue Code. If a corporation is an S corporation for federal income tax purposes it is an S corporation for Colorado income tax purposes. S corporations are not subject to Colorado income tax.

A change or correction on your return must be reported on a corrected Form 106. Check the box at the top of the corrected Form 106. Include prior payments on line 16 of the corrected form.

When used in this instruction booklet or on the partnership forms, the term partnership includes limited liability companies filing as partnerships for federal income tax purposes, and the term partner includes members of such limited liability companies.

DUE DATES FOR FILING RETURN

The return is due to be filed three and one-half months after the close of the tax year plus an automatic six-month extension. See the extension payment instructions for further information.

NONRESIDENT PARTNERS/SHAREHOLDERS

A partnership or an S corporation is required to ensure that its nonresident partners and shareholders file a Colorado income tax return to report their share of Colorado source income earned by the pass through entity. This is accomplished in one of three ways:

- File a composite return on behalf of the nonresident members. The tax due on the composite filing shall be 4.63% of the Colorado-source income of the partners or shareholders included in the composite return.
- Provide a completed form DR 0107 each year for each nonresident partner/shareholder establishing that he/she will file a Colorado income tax return, or
- Provide a completed form DR 0108 for each nonresident partner/shareholder. Withhold 4.63% of each nonresident partner/shareholder's Colorado source income and submit the payment with form DR 0108.

You must indicate in Column 4 of Part III which of these three filing requirements has been elected by each nonresident partner/shareholder. Refer to FYI Income 54 for additional information on composite filing, the agreement to file form DR 0107, and the withholding form DR 0108.

ADDITIONAL INFORMATION AVAILABLE

All forms, FYIs and other information are available through the Tax Information Index at: www.TaxColorado.com or you can call for information at (303) 238-SERV(7378).

DECLARATION OF ESTIMATED TAX

Every individual included in a composite nonresident income tax return must pay estimated income tax if his/her portion of the tax liability is expected to exceed \$1,000 plus estimated credits. The partnership should submit payments with estimated tax Form 106EP.

DISTRIBUTIONS

Colorado modifications and credits from Form 106CR, if any, are to be distributed to shareholders on their stock ownership percentage and to partners on their distributive share percentage. Advise each Colorado resident partner or shareholder of his/her share of the partnership or corporation modifications and credits. Advise each resident shareholder of his/her share of any income tax paid to other states by the corporation so he/she can compute the credit for tax paid other states.

APPORTIONMENT OF INCOME

A partnership or S corporation doing business in more than one state must apportion its Colorado source income to any states in which the entity is doing business. This ensures income is reported to the state in which the income is earned and taxable. See FYI Income 59 for details regarding the following apportionment methods.

Partnerships

Income is generally apportioned in one of three ways:

- Colorado Income Tax Act—Two factor method
- Multistate Tax Compact—Three factor method
- Colorado—source income of nonresident individuals method

S Corporations

Income is generally apportioned in one of two ways:

- Colorado Income Tax Act - Two factor method
- Multistate Tax Compact - Three factor method

Not Apportioning Income—A partnership or S corporation doing business only in Colorado will source 100% of its income to Colorado.

Colorado Income Tax Act—Colorado source income apportioned under the Colorado Income Tax Act is computed using two factors; the revenue factor and the property factor. All income is apportioned using these two factors and no income is directly allocated to its source state. Complete and attach Part IV of the return if you use this two factor apportionment method.

Multistate Tax Compact—Colorado source income apportioned under the Multistate Tax Compact is computed using three factors; the property factor, the payroll factor and the sales factor. Business income is apportioned using the three factors. Nonbusiness income is directly allocated to the appropriate state. Complete and attach Part V of the return if you use this three factor apportionment method.

Colorado Source Income of Nonresident - Colorado source income apportioned under Section 39-22-109, CRS is computed by including income that is determined to be from Colorado sources. Attach a schedule to Form 106 explaining how Colorado source income was determined. Modifications may be sourced to Colorado only to the extent that the income to which they relate is sourced to Colorado.

COMPLETING FORM 106

INCOME

LINE 1: Enter the ordinary income or (loss) from line 1 of federal Schedule K.

LINE 2: Enter the total of all other income listed on federal Schedule K. For partnerships, this would be the total of the amounts entered on lines 2, 3c, 4, 5, 6a, 7, 8, 9a, 10 and 11 of federal Schedule K. For S corporations, this would be the total of the amounts entered on lines 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 of federal Schedule K. Also include any gain from the sale of assets subject to section 179 that is not reported on Schedule K.

MODIFICATIONS AND DEDUCTIONS

LINE 3: Enter the Colorado modifications that increase federal income.

Enter any interest income (net of premium amortization) from state or municipal obligations subject to tax by Colorado. Do not include interest from obligations issued by the State of Colorado or a subdivision thereof.

LINE 5: Enter the allowable deductions from federal Schedule K. For partnerships, this would be the total of lines 12, 13c(2), and 13d of federal Schedule K; and for S corporations, this would be the total of lines 11, 12c(2), and 12d of federal Schedule K. Do not include amounts provided for informational pass through purposes only (e.g. domestic production activities deduction amounts).

Charitable contributions (line 13a, Schedule K, Form 1065, or line 12a, Schedule K, Form 1120S) and investment interest expense (line 13b, Schedule K, Form 1065, or line 12b, Schedule K, Form 1120-S) may be included on line 5 of Form 106, but only if a composite return is being filed for the 4.63% tax of the nonresident partners or shareholders. Do not include any charitable deductions for the donation of a conservation easement that qualified for the gross conservation easement credit.

LINE 6: Enter to the extent included in federal income on line 4, any interest income earned on obligations of the United States government and any interest income earned on obligations of any authority, commission, or instrumentality of the United States

to the extent such obligations are exempt from state tax under federal law.

Enter the modification for foreign source income of an export taxpayer. If a partnership qualifies as an export taxpayer, it may exclude for Colorado income tax purposes any income or gain which constitutes foreign source income for federal income tax purposes. For purposes of this modification, an "export taxpayer" means any partnership which sells 50 percent or more of its products which are produced in Colorado in states other than Colorado or in foreign countries, or if the gross receipts of such partnership are derived from the performance of services, such services are performed in Colorado by a partner or employee of the partnership and fifty percent or more of such services provided by the partnership are sold or provided to persons outside of Colorado.

Enter to the extent included in federal taxable income, the excludable Colorado capital gain income for property acquired on or after May 9, 1994 and held for five or more years. See FYI Income 15 for information on what capital gains qualify for this subtraction.

Neither the C corporation foreign income exclusion or the partnership export taxpayer foreign source income modification may be claimed by an S corporation or passed through to its shareholders.

COLORADO SOURCE INCOME

LINE 9: Enter the Colorado source income. If part of the income is not Colorado source income, see the instructions for Apportionment of Income. The Colorado income tax statute provides that in determining the source of a nonresident partner's income, no effect shall be given to a provision in the partnership agreement which characterizes payments to the partner as being for services or for the use of capital. Thus payments to partners, whether salaries or interest, shall be construed to be from Colorado sources and taxable by Colorado in the same ratio as is the ordinary income of the partnership.

The partnership will not normally determine income from Colorado sources for any corporate partner as the corporation will include its share of the partnership's income and factors in its own income and factors subject to allocation and apportionment.

COMPOSITE RETURN

Complete lines 10 through 23 of Form 106 only if a composite return is being filed for nonresident partners/shareholders.

LINE 10: Enter the Colorado source income of the nonresident partners/shareholders who are included in the composite return.

LINE 11: Enter 4.63% of the Colorado source income reported on line 10. (This represents a reduction from the 5% tax rate in effect in 1998 and the 4.75% tax rate in effect in 1999.)

LINE 12: Enter the tax credits from Form 106CR that are allocated to the nonresident partners/shareholders included in the composite return. Do not include any gross conservation easement credit, which must be reported separately on line 13.

LINE 13: Enter the gross conservation easement credit from Form 106CR, line 36, that was allocated to the nonresident partners/shareholders included in the composite return. Attach forms DR 1303 and DR 1305 to the return. Submit form DR 1304 under separate cover.

LINE 16: Enter any estimated tax payments or extension payment submitted on behalf of the partners/shareholders included in the composite return.

LINE 17: If 90% of the tax is not paid by the due date, you must add a delinquent payment penalty. The penalty is 5% of the additional tax due for the first month of delinquency and 1/2% for each additional month up to a maximum of 12%.

LINE 18: Interest is due on any balance of tax due from the due date at the rate of 5% (8% if we bill you and you do not pay within 30 days).

LINE 19: The estimated tax penalty is computed for each partner or shareholder on Form 204. This penalty applies only when the tax due for an individual included in the composite filing is more than \$1,000. If this penalty is due, attach Form 204 for each individual who owes the penalty and enter the total penalty on line 19.

LINE 20: Enter the balance due, including any penalty or interest due from lines 17, 18 and 19.

LINE 21: If the prepayments on line 16 exceed the tax due on line 15, enter the amount of the overpayment on line 21.

LINE 22: Enter the amount from line 21 you want to credit toward next year's estimated tax.

LINE 23: Enter the amount from line 21 you wish to have refunded at this time.

(43) 2008 FORM 106
COLORADO STATE PARTNERSHIP OR S CORPORATION RETURN OF INCOME AND COMPOSITE NONRESIDENT INCOME TAX RETURN

Check here if this is an amended return
For calendar year 2008
or other tax year beginning _____, 2008, ending _____, 200__.

Name of Organization, Colorado Account Number, Doing Business As, Address, Federal Employer I.D. Number, City, State, ZIP

- A This return is being filed for (check one): PARTNERSHIP S CORPORATION
B Give beginning depreciable assets from federal return
C Give ending depreciable assets from federal return
D Business or profession
E Date of organization or incorporation
F Is this a final return?
G Has the I.R.S. made any adjustments to your federal return or have you filed amended federal returns during the last four years?
H Number of partners or shareholders as of year end

Mail this return to:
Colorado Department of Revenue
Denver CO 80261-0006

PART I: COMPUTATION OF COLORADO INCOME ROUND ALL AMOUNTS TO THE NEAREST DOLLAR

Table with 3 columns: Line number, Description, Amount. Lines 1-9 covering ordinary income, other income, modifications, deductions, and Colorado source income.

PART II: COMPOSITE NONRESIDENT INCOME TAX RETURN - DO NOT COMPLETE LINES 10 THROUGH 23 UNLESS YOU ARE FILING A COMPOSITE NONRESIDENT RETURN -

Table with 3 columns: Line number, Description, Amount. Lines 10-23 covering tax on nonresident partners, credits, and overpayment.

I declare this return to be true, correct and complete under penalty of perjury in the second degree. Declaration of preparer is based on all information of which preparer has any knowledge.

(Signature of partner or signature and title of officer) (Date) (Name & telephone number of person or firm preparing return)(Date)

The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

Do not send federal K-1 schedules.

PART III: IDENTIFICATION OF PARTNERS OR SHAREHOLDERS

This Part III must be completed including information on all partners or shareholders, or a computer printout in the same format must be attached to the return. Do not attach federal K-1 schedules.

NAMES AND ADDRESSES OF PARTNERS OR SHAREHOLDERS	Social Security Number or Colorado Account Number	Profit/Loss or Stock Ownership Percentage	Check the election made by each nonresident
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed
_____ _____	_____	_____ %	<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed

If there are more than 16 partners or shareholders, photocopy and attach additional copies of this page as needed.

PART IV: APPORTIONMENT OF INCOME UNDER THE COLORADO INCOME TAX TWO-FACTOR FORMULA

1 Colorado Income from line 8, Part I, Page 1, Form 106. 1

INCOME APPORTIONED TO COLORADO BY USE OF THE REVENUE FACTOR:

DO NOT INCLUDE INCOME MODIFIED OUT ON LINE 6, PART I, PAGE 1, FORM 106.

	Colorado	Total
2 Gross sales of goods, merchandise and property		
3 Gross revenue from services		
4 Gross rents and royalties from real and tangible personal property		
5 Gross sales of real and tangible personal property		
6 Gain from the sale of intangible personal property		
7 Taxable interest and dividend income		
8 Patent and copyright royalties		
9 Total revenue		

10 Percentage line 9 (Colorado) to line 9 (Total) _____ % times 1/2 line 1, \$ _____ equals 10

INCOME APPORTIONED TO COLORADO BY USE OF THE PROPERTY FACTOR:

	Colorado		Total	
	Beginning	Ending	Beginning	Ending
11 Inventories				
12 Land				
13 Buildings and Equipment				
14 Other property, explain				
15 Total, lines 11 through 14				

16 Average beginning and ending		16
17 Leased real property		17
18 Leased tangible personal property		18
19 Total lines 16, 17 and 18		19

20 Percentage line 19 (Colorado) to line 19 (Total) _____ % times 1/2 line 1, \$ _____ equals 20

21 Colorado Source Income, total of lines 10 and 20. Enter here and on line 9, Part I, Page 1, Form 106 21

PART V: ALLOCATION AND APPORTIONMENT OF INCOME UNDER THE MULTISTATE TAX COMPACT THREE-FACTOR FORMULA.

1 Computation of the property factor:

	(1) Colorado		(2) Total			
	Beginning	Ending	Beginning	Ending		
(a) Inventories.....						
(b) Land						
(c) Buildings and Equipment						
(d) Other property (explain)						
(e) Total (a) through (d).....						
(f) Average						
(g) Leased property (Attach schedule)						
(h) Total (f) and (g).....						
(i) Percentage 1(1)(h) to 1(2)(h)					1	%

2 Computation of the payroll factor:

(a) Colorado compensation paid during the taxable year.....			
(b) Total compensation paid during the taxable year.....			
(c) Percentage 2(a) to 2(b)			2 %

3 Computation of the sales factor:

INCLUDE ONLY INCOME NOT DIRECTLY ALLOCATED

DO NOT INCLUDE INCOME MODIFIED OUT ON LINE 6, PART I, PAGE 1.

	(1) Colorado		(2) Total			
(a) Gross sales of property.....						
(b) Gross sales of services.....						
(c) Rents and royalties						
(d) Other revenue (explain)						
(e) Total revenue						
(f) Percentage 3(1)(e) to 3(2)(e)					3	%

4 Total of lines 1, 2 and 3.....	4	%
5 Average factor, line 4 divided by the number of factors computed above	5	%
6 Total Colorado income from line 8, Part I, Page 1, Form 106.....	6	

7 Less income directly allocable:

NON-BUSINESS INCOME ONLY	(a) Net rents and royalties from real or tangible personal property	
	(b) Capital gains and losses.....	
	(c) Interest and dividends	
	(d) Patents and copyright royalties	
	(e) Total income directly allocable	7

8 Modified federal income subject to apportionment by formula, line 6 less line 7.....	8
9 Income apportioned to Colorado by formula, line 5 times line 8.....	9

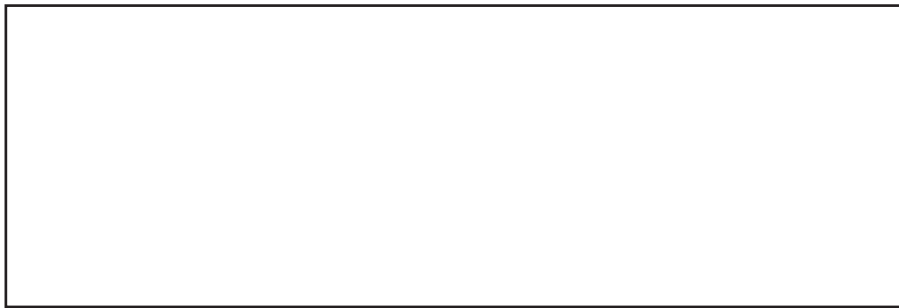
10 Add income directly allocable to Colorado:

(a) Net rents and royalties from real or tangible personal property	
(b) Capital gains and losses.....	
(c) Interest and dividends	
(d) Patents and copyright royalties	
(e) Total income directly allocated to Colorado	10

11 Colorado Source Income, line 9 plus line 10. Enter here and on line 9, Part I, Page 1, Form 106	11
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COLORADO PARTNERSHIP—S CORPORATION CREDIT FORM

Organization Name		Colorado Account Number
CREDIT FOR TAX PAID OTHER STATE BY S CORPORATION		AMOUNTS TO BE DISTRIBUTED
1	Name of State _____	
2	Amount of income from sources within state _____	
3	Amount of income tax liability to state.....	3
THE OLD INVESTMENT CREDIT		
4	Federal current-year qualified investment in Colorado assets.....	4
THE NEW INVESTMENT CREDIT		
5	Qualifying current year investment _____	
6	1% of the amount on line 5	6
ENTERPRISE ZONE INVESTMENT CREDIT		
7	Qualifying current year investment _____	
8	3% of the amount on line 7	8
ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDITS		
9	Average number of current year qualified employees	
10	Number of employees previously claimed	
11	Increase in qualified employees, line 9 minus line 10.....	
12	Number of employees on line 11 multiplied by \$500	12
13	Number of employees on line 11 located in a rural enterprise zone multiplied by \$2,000	13
14	Number of agricultural processing employees on line 11 multiplied by \$500	14
15	Number of employees on line 14 located in a rural enterprise zone multiplied by \$500.....	15
16	Number of health insured qualified employees times \$200	16
CONTRIBUTION TO ENTERPRISE ZONE ADMINISTRATOR		
17	Current year cash contributions	17
18	Value of current year in-kind contributions	18
ENTERPRISE ZONE RESEARCH AND DEVELOPMENT CREDIT		
19	Qualifying current year expenditures	
20	First preceding year expenditures.....	
21	Second preceding year expenditures	
22	Total lines 20 and 21	
23	One-half of the amount on line 22.....	
24	Line 19 minus line 23.....	
25	3% of the amount on line 24	25
OTHER CREDITS		
26	Historic property preservation credit	26
27	Alternative fuel vehicle credit	27
28	Alternative fuel refueling facility credit.....	28
29	Child care contribution credit	29
30	Child care center family care home investment credit	30
31	Employer child care investment credit	31
32	School to career investment credit.....	32
33	Enterprise zone job training credit	33
34	Enterprise zone vacant commercial building rehabilitation credit	34
35	Colorado works program credit.....	35
36	Gross conservation easement credit	36
37	Contaminated land redevelopment credit	37
38	Low-income housing credit	38
39	Aircraft manufacturer new employee credit	39



INSTRUCTIONS FOR FORM 106CR

IN GENERAL. Colorado credits may be passed through from partnerships, and S corporations to the partners, or shareholders. Normally the potential credit is passed through and it is up to the partner or shareholder to determine his or her own limitations.

Some credits may be claimed only by individuals, estates or trusts where others may be claimed only by C Corporations. Other credits may be available to all taxpayers. Credits cannot be claimed by some partners or shareholders cannot be redistributed to other partners or shareholders. For example, if a partnership consisted of a C corporation and an individual, the individual partner's share of the partnership's new investment tax credit could not be claimed by the corporation even though the individual partner is not allowed to use it.

CREDIT FOR TAX PAID OTHER STATES.

Colorado resident S corporation shareholders may claim credit for their share of any net income tax paid to another state by the corporation when the other state does not recognize the S corporation election. Complete a separate Form 106CR for each state to which tax was paid. Advise each Colorado resident shareholder of his or her share of the corporate income from sources in the other state and his or her share of the tax paid.

THE OLD INVESTMENT TAX CREDIT is 10% of the tentative current year federal internal revenue code section 46 credit on assets located in Colorado and may be claimed only by C corporations (this would apply in the case of a partnership with a C corporation partner.) See FYI Income 11.

THE NEW INVESTMENT TAX CREDIT is basically 1% of the qualified investment in tangible personal property used in a trade or business in Colorado. This credit may be claimed only by C corporations. See FYI Income 11.

THE ENTERPRISE ZONE INVESTMENT CREDIT is basically 3% of the qualified investment in tangible personal property used in a trade or business in a Colorado enterprise zone. It may be claimed by all taxpayers. See FYI Income 11.

THE ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDIT is a credit of \$500 for each new job created with respect to a qualified enterprise zone new business facility. Additional credits may be available depending on the location of the business, the nature of the work performed and the benefits provided to the employee(s). These credits are available to all taxpayers.

A credit for **contributions to enterprise zone administrators** to further the economic development plans of the zone is allowed to all taxpayers.

A credit of 3% of the increase in a qualified **enterprise zone research and experimental expenditures** is available to all taxpayers. See FYI Income 22.

All Other Credits entered on lines 26 through 39 are available to all taxpayers. See the following FYIs, available online at www.TaxColorado.com for additional information regarding these credits.

Historic property preservation credit	FYI Income 1
Alternative fuel vehicle credit	FYI Income 9
Alternative fuel refueling facility credit	FYI Income 9
Child care contribution credit	FYI Income 35
Child care center family care home investment credit	FYI Income 7
Employer child care investment credit	FYI Income 7
School to career investment credit	FYI Income 32
Enterprise zone job training credit	FYI Income 31
Enterprise zone vacant commercial building rehabilitation credit	FYI Income 24
Colorado works program credit	FYI Income 34
Gross conservation easement credit	FYI Income 39
Contaminated land redevelopment credit	FYI Income 42
Low-income housing credit	FYI Income 46
Aircraft manufacturer new employee credit	FYI Income 62