

**Booklet Includes:**

- Instructions
- DR 0106
- Related Forms

**106** Book

Pass-Through Entities and Composite Filing for Nonresidents



**COLORADO**  
Department of Revenue

**Colorado Pass-Through Entities and Composite Filing for Nonresidents Income Tax Filing Guide**

**This book includes:**

- › DR 0106 2017 Colorado Pass-Through Entity Composite Nonresident Income Tax Form
- › DR 0107 Colorado Nonresident Partner, Shareholder or Member Agreement
- › DR 0108 Statement of Colorado Tax Remittance for Nonresident Partner, Shareholder or Member
- › DR 0158-N Automatic Filing Extension for Composite Nonresident Income Tax Return
- › DR 0106CR Colorado Pass-Through Entity Credit Schedule

**MAILING ADDRESS FOR FORM DR 0106 AND DR 0106CR**

 <b>WITH PAYMENT</b> Mail To COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0006	 <b>WITHOUT PAYMENT</b> Mail To COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0005
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These addresses and zip codes are exclusive to the Colorado Department of Revenue, so a street address is not required.

**MAILING ADDRESS FOR FORM DR 0158-N AND DR 0108**

COLORADO DEPARTMENT OF REVENUE  
Denver, CO 80261-0008

**Colorado.gov/Tax**

INFORMATION | EDUCATION | ASSISTANCE

2017



170107 19999



## Colorado Nonresident Partner, Shareholder or Member Agreement

Taxable Year of Partner, Shareholder or Member				Taxable Year of Pass-Through Entity			
Beginning MM/DD/YYYY		Ending MM/DD/YYYY		Beginning MM/DD/YYYY		Ending MM/DD/YYYY	
Name and Address of Nonresident Partner or Shareholder or Member				Name and Address of Pass-Through Entity			
SSN		FEIN		Colorado Account Number		FEIN	
Last Name				Last Name			
First Name		Middle Initial		First Name		Middle Initial	
Street or Mailing Address				Street or Mailing Address			
City				City			
State		ZIP		State		ZIP	

I agree to file a 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 pass-through entity 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. I furthermore understand the Department of Revenue will consider the timely first filing of this agreement as applicable to all future filing periods unless notified otherwise.

Taxpayer's or Authorized Agent's Signature			Date (MM/DD/YY)

Submit this agreement when filing the Colorado form DR 0106

A nonresident partner, shareholder, or member can complete this form DR 0107 to establish that they will report the Colorado source income and pay the Colorado tax on any income derived from a Colorado partnership.

This form shall be delivered by the nonresident partner to the partnership, which shall later be submitted by the partnership with form DR 0106. This form need only to be filed with the Department for the year in which the agreement is made.

See the instructions for Nonresident Partners/Shareholders/Members in the 106 Book and publication FYI Income 54 available at [Colorado.gov/Tax](http://Colorado.gov/Tax) for more information.





## 2017 Statement of Colorado Tax Remittance for Nonresident Partner, Shareholder or Member

In general, partnerships should remit withholding for their nonresident partners. However, if a composite return is filed to include such nonresident partner/shareholder the withholding is not required. Nonresident partner withholding is due on the 15th day of the fourth month following the end of the taxable year.

See the instructions for Nonresident Partners/Shareholders/ Members in the 106 Booklet for more information.

Please note, a **MAXIMUM** of fifty (50) DR 108 forms may be submitted with a single payment. **DO NOT** remit one payment via EFT or check and request the Department to allocate funds to more than 50 nonresident partners. Furthermore, the DR 108 totals must exactly match the payments, or the Department **WILL NOT** transfer the funds on behalf of the partnership.

DR 0108 (06/16/16)			
Return this form with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Enter on form DR 0108 the name and Social Security number or FEIN of the nonresident partner, shareholder or member who will ultimately claim this payment. Do not send cash. Enclose, but do not staple or attach, your payment with this form.			
Shareholder is (Mark one):			
<input type="checkbox"/> Individual (SSN)		<input type="checkbox"/> Estate or Trust (FEIN)	
SSN		FEIN	
Last name of nonresident partner, shareholder or member			
First Name		Middle Initial	
Address			
City		State	ZIP
<b>Do not use this form for a C-Corporation or Partnership / S-Corp / LLC</b>			
Colorado Account Number		FEIN	
Address			
City		State	ZIP
<small>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.</small>			
<b>If No Payment Is Due, Do Not File This Form.</b>			
1. Colorado-source income for nonresident partner or shareholder		<b>1</b>	\$ .00
2. Colorado tax remitted, 4.63% of amount on line 1		<b>2</b>	\$ .00



## 106 Book Instructions

This filing guide will assist you with completing your Colorado Income Tax Return. Please read through this guide before starting your return. Once you finish the form, file it with a computer, smartphone or tablet using our free and secure Revenue Online service at [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline). You may also file using private e-File software or with a paid tax preparer. You significantly reduce the chance of errors by filing your return electronically. If you cannot file electronically for any reason, mail the enclosed forms as instructed. All Colorado forms and publications referenced in this guide are available for download at [Colorado.gov/Tax](http://Colorado.gov/Tax) — the official Taxation website.

Any partnership, joint venture, common trust fund, limited association, pool or working agreement, limited liability company or any other combination of persons or interests that is required to file a federal partnership return of income must file the DR 0106 if any of the partnership income is from Colorado sources.

An S corporation must file the DR 0106 for any year it is doing business in Colorado. An S 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 DR 0106 on Revenue Online. If filing on paper, mark the Amended Return box at the top of the corrected DR 0106.** The corrected form must include all required schedules even if the schedule was submitted with the original return and has not changed.

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 the fifteenth day of the fourth month after the close of the tax year, or after the automatic six-month extension if applicable. See the extension payment instructions for further information. Calendar year 2017 returns are **due on April 17, 2018**.

### Nonresident Partners/Shareholders/ Members

The pass-through entity is required to ensure that its nonresident partners, shareholders or members satisfy their Colorado income tax liabilities resulting from the 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, shareholders or members included in the composite return.
- Provide a completed DR 0107 for each nonresident partner, shareholder or member establishing that they will file a Colorado income tax return. The partnership or S corporation is responsible for collecting each DR 0107 and submitting them to the Department.
- Provide a completed DR 0108 for each nonresident partner, shareholder or member. Withhold 4.63% of each nonresident partner, shareholder or member's Colorado source income and submit the payment with DR 0108. A separate DR 0108 must be submitted for each partner, shareholder or member for whom a payment is made.

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

Information, FYI Publications and forms are available at [Colorado.gov/Tax](http://Colorado.gov/Tax).

### Declaration of Estimated Tax

Estimated payments are required if the tax attributable to any partner, shareholder or member included in a composite return is expected to exceed \$1,000. Such estimated payments should be remitted with form DR 106EP.

### Distributions

Colorado modifications and credits are allocated to shareholders and partners in pursuant to applicable state law. Advise each Colorado partner, shareholder or member of their share of the pass-through entity modifications and credits. Advise each resident shareholder of their share of any income tax paid to other states by the corporation so they can compute the credit for tax paid to other state(s).

### Apportionment of Income

A pass-through entity doing business in more than one state must apportion its income as described below. This ensures income is reported to the state in which the income is earned and taxable. See publication FYI Income 59 for details regarding the following apportionment methods.

#### Partnerships

Income is generally apportioned in one of two ways:

- Single-sales factor
- Colorado-source income of nonresident individuals method

## S Corporations

Income is generally apportioned using the single-sales method.

**Not Apportioning Income** — A pass-through entity doing business only in Colorado will source 100% of its income to Colorado.

**Single-Sales Factor** — All business income must be apportioned using the single-sales factor. Nonbusiness income may either be directly allocated to the appropriate state or treated as business income, subject to the single-sales factor apportionment. Complete and attach Part IV to your return if you are apportioning income using the single-sales factor apportionment method.

**Colorado-Source Income of Nonresident** — Colorado-source income apportioned under §39-22-109, C.R.S., is computed by including income that is determined to be from Colorado sources. Attach a schedule to form DR 0106 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 the DR 0106

### 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, 3, 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, 3, 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 4** Sum of lines 1 through 3.

**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 (for example: 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 the

DR 0106, but only if a composite return is being filed for the 4.63% tax of the nonresident partners or shareholders. Report deductions that are directly related to business operations. Deductions that are not directly related to business operations (e.g., charitable deductions) may not be deducted as part of the composite return. Partners that wish to calculate and claim the benefit of these deductions must do so by filing individual Colorado income tax returns and may not be included in the composite return.

### Line 6 Colorado Marijuana Business Deduction

For Colorado-licensed marijuana businesses, list any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the Internal Revenue Code because marijuana is a controlled substance under federal law.

To calculate this deduction, you must create pro forma federal schedule(s) for Business Profit or Loss as if the federal government would have allowed the expenditures from the marijuana business. The Colorado deduction shall be the difference between the profit/loss as calculated on the ACTUAL schedule(s) filed with the federal return and the pro forma schedule(s) described above. You must attach both the pro forma schedule(s) and the actual schedule(s) to your Colorado return to receive this deduction.

**Line 7** Agricultural Asset Lease Deduction. Enter the certificate number (YY-###) for the deduction certificate that was provided by the Colorado Agricultural Development Authority (CADA). If you received more than one certificate you must file electronically. Enter the amount of the deduction on this line. The amount of deduction allowed to a qualified taxpayer may not exceed \$25,000. You must submit a copy of each certificate with your return.

**Line 8** To the extent of that which was included in the federal taxable income on line 4 of the DR 0106, enter the sum of the following:

- 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.
- The modification for foreign source income of an export taxpayer. For purposes of this modification, an "export taxpayer" means:
  - 1.) any partnership which sells 50% or more of its products which are produced in Colorado in states other than Colorado, or in foreign countries; or
  - 2.) 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 50% or more of such services provided by the partnership are sold or provided to persons outside of Colorado. 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.

- 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 publication FYI Income 15 for information on which 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 11** 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 12 through 27 of the DR 0106 only if a composite return is being filed for nonresident partners/shareholders/members.**

**Line 12** Enter the Colorado-source income of the nonresident partners/shareholders/members who are included in the composite return.

**Line 13** Enter 4.63% of the Colorado-source income reported on line 12. The income tax rate is currently 4.63%, which is a reduction from the 1999 rate of 4.75% and the 1998 (and prior) rate of 5%.

**Line 14** Enter the non-refundable tax credits from the DR 0106CR line 24, Column C that are allocated to the nonresident partners/shareholders/members included in the composite return. Do not include any amounts from Column B on this line. You must submit the DR 0106CR with your return.

**Line 15** Enter the gross conservation easement credit available to the nonresident partners/shareholders included in the composite return from the DR 1305G line 33. You must submit the DR 1305G with your return.

**Line 16** Net tax. Add line 14 and 15, then subtract this sum from line 12. The sum of 14 and 15 may not exceed the amount on line 12.

**Line 17** Carefully review payment records before completing this line. Use Revenue Online ([Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline)) to verify estimated taxes paid on the account. Doing so will reduce processing delays. Enter the amount of credit for prepayments. Include the sum of the following on line 17:

- estimated tax payments for 2017; *and*
- any overpayment from 2016 that was carried forward to 2017; *and*
- extension payment(s) remitted with the DR 0158-N; *and*
- payments remitted with the DR 1079 to satisfy withholding requirements for the sale of Colorado real estate that closed during the tax year for which you are filing this return. You must submit the DR 1079 with your return.

**Line 18** Enter the amount of withholdings reported on Form W-2G made on lottery or gambling winnings. This will not apply to most taxpayers. You must submit the W-2G(s) with your return.

**Line 19** Enter the refundable tax credits from the DR 0106CR line 28, Column C that are allocated to the nonresident partners/shareholders/members included in the composite return. Do not include any amounts from Column B on this line. You must submit the DR 0106CR with your return.

**Line 21** If 90% of the tax is not paid by the due date, you must add a delinquent payment penalty. The penalty is the greater of \$5 or 5% of the additional tax due for the first month of delinquency and 0.5% for each additional month up to a maximum of 12%.

**Line 22** Interest is due on any unpaid tax balance paid after the due date. The interest rate is 4%, but increases to 7% for any amount unpaid after 30 days.

**Line 23** The estimated tax penalty is computed for each partner or shareholder on form DR 0204. 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, you must submit form DR 0204 for each individual who owes the penalty and enter the total penalty on line 24.

**Line 24** Enter the balance due, including any penalty or interest due from lines 21, 22, and 23.

**Line 25** If the credits on line 20 exceed the tax due on line 16, enter the amount of the overpayment on line 25.

**Line 26** Enter the amount from line 25 you want to credit to next year's estimated tax.

**Line 27** Enter the amount from line 25 you wish to have refunded.

**Direct Deposit** – You have the option of authorizing the Department to directly deposit these funds into your bank account. Otherwise, a refund check will be mailed to the address you have designated on this return.

Enter the routing and account numbers and account type. The routing number is 9 digits. Account numbers can be up to 17 characters (numbers and/or letters). Include hyphens, but do

NOT enter spaces or special symbols. We recommend that you contact your financial institution to ensure you are using the correct information and that they will honor a direct deposit.

**Intercepted Refunds** – The Department will intercept your refund if you owe back taxes or if you owe a balance to another Colorado government agency or the IRS.

## **Paid Preparer Authorization**

Mark the "Yes" box to allow the Colorado Department of Revenue to discuss this tax return with the paid preparer or designee who signed it. This authorization is valid for any period of time and can be revoked with a written statement to the Department. Revocations must declare the return filing period and tax type, must designate that the Third Party Designee is being revoked and must be signed and dated by the taxpayer and/or designee. By completing this area of the return, the taxpayer is granting the designee the ability to:

- Provide any missing information needed for the processing of the return, *and*
- Call the Department for information about the return, including the status of any refund or processing time, *and*
- Receive upon request copies of notices, bills or transcripts related to the return, *and*
- Respond to notices about math errors, intercepts and questions about the preparation of the return.

This designation **does not** allow the third party to receive any refund check, bind the taxpayer to anything (including any additional tax liability), or otherwise represent the taxpayer before the Colorado Department of Revenue. In order to expand the designee's authorization, complete the DR 0145 Power of Attorney for Department-Administered Tax Matters and submit via Revenue Online.





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DR 0158-N (07/12/17)  
COLORADO DEPARTMENT OF REVENUE  
Denver, CO 80261-0008  
Colorado.gov/Tax

(0049)

## Automatic Filing Extension for Composite Nonresident Income Tax Return

Colorado income tax returns are due the fifteenth day of the fourth month after the end of your tax year, or by April 17, 2018 for traditional calendar year filers. If you are unable to file by your prescribed due date, you may file under extension. This will allow you an additional six months to file your return, or until October 15, 2018 for traditional calendar year filers. However, the extension to file DOES NOT allow you to extend your payment due date. You must pay at least 90% of your tax liability by the original due date of your return (or April 17) and the remainder by the filing extension due date (or October 15) to avoid delinquent payment penalties.

### Penalties and Interest

If the 90% rule is NOT met by the original due date, then delinquent penalty and interest will be assessed when you file your return. If 90% or more of your tax liability is paid by the original due date, and the remaining balance is paid by the extension due date, no penalty will be assessed. However, you will be billed interest, but only on the amount being paid by the extension due date.

If after the original due date, you determine that you underpaid your extension payment you should pay the additional tax as soon as possible to avoid further accumulation of penalty and/or interest.

### Pay Online

Visit [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline) to pay online. Online payments reduce errors and provide instant payment confirmation. Revenue Online also allows users to submit various forms and to monitor their tax account. Electronic Funds Transfer (EFT) Debit and Credit options are free services offered by the department. EFT services require pre-registration before payments can be made. Visit [Colorado.gov/Revenue/EFT](http://Colorado.gov/Revenue/EFT) for more information.

The DR 0158-N is not required to be sent if an online payment is made. Please be advised that a nominal processing fee may apply to e-check or credit card payments.

### Pass Through Entities

Use this form only if the entity intends to file a composite return and claim the extension payment against the tax reported on the composite return. Payments made using the DR 0158-N for the composite entity cannot be distributed to or claimed on individual partner or shareholder returns.

DR 0158-N (07/12/17)			
<b>For the calendar year 2017 or the fiscal year</b>			
Fiscal Year Beginning (MM/DD/17)		Fiscal Year Ending (MM/DD/YY)	
Return this form with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your Colorado Account Number or Federal Employer Identification Number and "2017 DR 0158-N" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this form.			
FEIN		Colorado Account Number	
Business Name			
Address			
City		State	ZIP
If No Payment Is Due, Do Not File This Form.			Amount of Payment
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 CUT – Return Full Page**





## 2017 Colorado Pass-Through Entity and Composite Nonresident Income Tax Return

Fiscal Year Beginning (MM/DD/17)	Ending (MM/DD/YY)	<input type="checkbox"/> • Mark for Amended Return	
Name of Organization		Colorado Account Number	
Doing Business As		Federal Employer ID Number	
Address	City	State	ZIP
If you are attaching a statement disclosing a listed or reportable transaction, mark this box • <input type="checkbox"/>			
<b>A. This return is being filed for (mark one):</b>			
• <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> LLC <input type="checkbox"/> LP <input type="checkbox"/> LLP <input type="checkbox"/> LLLP <input type="checkbox"/> Association <input type="checkbox"/> Non-Profit			
<b>B. Beginning depreciable assets from federal return</b>		<b>C. Ending depreciable assets from federal return</b>	
D. Business or profession		E. Date of organization or incorporation (MM/DD/YY)	
F. If this is a final return, mark this box • <input type="checkbox"/>		G. If the IRS has made any adjustments to your federal return or have you filed amended federal returns during the last four years, mark this box: <input type="checkbox"/>	
H. Number of partners or shareholders as of year end		Explain:	

Part I: Computation of Colorado Income	Round to the nearest dollar
1. Ordinary income from line 1 federal Schedule K • 1	00
2. Sum of all other income • 2	00
3. Modifications increasing federal income • 3	00
4. Sum of lines 1 through 3 4	00
5. Allowable deductions from federal Schedule K • 5	00
6. Colorado Marijuana Business Deduction • 6	00
7. Agriculture asset lease deduction. Enter CADA certificate number and submit a copy with your return. • 7	00
8. Other modifications decreasing federal income • 8	00



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DR 0106 (08/31/17)  
COLORADO DEPARTMENT OF REVENUE  
Colorado.gov/Tax

Form 106 ■

Name	Account Number
<b>9. Sum of lines 5 through 8</b>	<b>9</b> 00
<b>10. Modified federal taxable income, subtract line 9 from line 4</b>	<b>10</b> 00
<b>11. Colorado-Source Income from (mark one):</b>  <input type="checkbox"/> Part IV <input type="checkbox"/> Other (attach explanation) <input type="checkbox"/> Income is all Colorado Income <b>• 11</b>	00
<b>File at: Colorado.gov/RevenueOnline – or – Mail to and make checks payable to:</b>	Colorado Department of Revenue Denver, CO 80261-0006

**Part II: Composite Nonresident Income Tax Return**

Do not complete lines 12–27 unless you are filing a composite nonresident return.

<b>12. Colorado–source Income of nonresident partners/shareholders electing to be included in this composite filing</b>	<b>• 12</b>	00
<b>13. Tax; 4.63% of the amount on line 12</b>	<b>• 13</b>	00
<b>14. Non-refundable credits from the DR 0106CR line 24 column C, you must include the DR 0106CR with your return.</b>	<b>• 14</b>	00
<b>15. Gross Conservation Easement credit allocated to these partners/shareholders/members from the DR 1305G line 33. You must submit the DR 1305G with your return.</b>	<b>• 15</b>	00
<b>16. Net tax, add line 14 and 15, then subtract this sum from line 13. The sum of 14 and 15 may not exceed the amount on line 13.</b>	<b>16</b>	00
<b>17. Estimated tax credits and extension payments</b>	<b>• 17</b>	00
<b>18. Withholding from lottery or gambling winnings</b>	<b>• 18</b>	00
<b>19. Refundable credits from the DR 0106CR line 28 column C, you must include the DR 0106CR with your return.</b>	<b>• 19</b>	00
<b>20. Subtotal; add lines 17 to 19</b>	<b>20</b>	00
<b>21. Penalty (include on Line 24)</b>	<b>• 21</b>	00
<b>22. Interest (include on Line 24)</b>	<b>• 22</b>	00
<b>23. Estimated tax penalty (include on Line 24)</b>	<b>• 23</b>	00
<b>24. If line 16 is greater than line 20, enter amount owed</b>	<b>• 24</b>	
<b>25. Overpayment, subtract line 16 from line 20</b>	<b>25</b>	00
<b>26. Overpayment to be credited to 2018 estimated tax</b>	<b>• 26</b>	00
<b>27. Overpayment to be refunded</b>	<b>• 27</b>	00





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Do not submit federal K-1 schedules

Name		Account Number	
<b>Part III: Identification of Partners, Shareholders or Members</b>			
Part III must be completed for each partner/shareholder/member. DO NOT submit federal K-1 schedules.			
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 Attached <input type="checkbox"/> DR 0108 Filed		Profit/Loss or Stock Ownership Percentage	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 Attached <input type="checkbox"/> DR 0108 Filed		Profit/Loss or Stock Ownership Percentage	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 Attached <input type="checkbox"/> DR 0108 Filed		Profit/Loss or Stock Ownership Percentage	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 Attached <input type="checkbox"/> DR 0108 Filed		Profit/Loss or Stock Ownership Percentage	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 Attached <input type="checkbox"/> DR 0108 Filed		Profit/Loss or Stock Ownership Percentage	



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Name	Account Number

**Part IV — Business Income Apportioned to Colorado by use of the Sales Factor**

Do not send federal return forms or schedules with this return.

1. Total modified federal taxable income from the DR 0106, Part I, line 10	1	00
<b>Business Income Apportioned to Colorado by use of the Sales Factor</b> Do Not Include Foreign-source revenues. Modified from DR 0106, Part I, Line 8		
	<b>• Colorado</b>	<b>• Total</b>
2. Gross sales of tangible personal property ● 2	00	00
3. Gross revenue from services ● 3	00	00
4. Gross rents and royalties from real property ● 4	00	00
5. Gross proceeds from sales of real property ● 5	00	00
6. Taxable interest and dividend income ● 6	00	00
7. Gain from the sale of intangible personal property ● 7	00	00
8. Patent and copyright royalties ● 8	00	00
9. Revenue from the performance of purely personal services ● 9	00	00
10. Total revenue (total of lines 2 through 9 in each column) ●10	00	00
11. Line 10 (Colorado) divided by line 10 (Total)	11	%
Complete lines 12 and 15 only if nonbusiness income is being directly allocated. If all income is being treated as business income, enter 0 (zero) on lines 12 and 15.		
12. Less income directly allocable (Nonbusiness Income Only):		
(a) Net rents and royalties from real or tangible property ●		00
(b) Capital gains and losses ●		00
(c) Interest and dividends ●		00
(d) Patents and copyright royalties ●		00
(e) Other nonbusiness income ●		00
(f) Total income directly allocable [add lines (a) through (e)]	12	00
13. Modified federal taxable income subject to apportionment by formula, subtract line 12(f) from line 1	13	00
14. Income apportioned to Colorado by formula, line 11 multiplied by line 13	14	00



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Name		Account Number	
<b>15. Add income directly allocable to Colorado (Nonbusiness Income Only):</b>			
(a) Net rents and royalties from real or tangible property	•	00	
(b) Capital gains and losses	•	00	
(c) Interest and dividends	•	00	
(d) Patents and copyright royalties	•	00	
(e) Other nonbusiness income	•	00	
(f) Total income directly allocable [add lines (a) through (e)]		<b>15</b>	00
<b>16. Total income apportioned to Colorado, sum of lines 14 and 15. Enter here and on the DR 0106, Part I, line 11</b>		<b>16</b>	00
<b>17.</b> <input type="checkbox"/> Pursuant to §39-22-303.5(6) C.R.S., taxpayer elects to treat nonbusiness income as business income for the tax year ending:		<b>17</b>	Date (MM/DD/YY)



## Instructions for the DR 0106CR

**In general, Colorado credits** may be passed through from partnerships, and S corporations to the partners, or shareholders.

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 allocated to 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 to 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 DR 0106CR 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.

**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 publication FYI Income 11.

**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 publication FYI Income 11.

**All Other Credits** are available to all taxpayers. See the following FYI publications, which are available in the Education and Legal Research section at [Colorado.gov/Tax](http://Colorado.gov/Tax) for additional information:

Historic Property Preservation	Income 1
Child Care Contribution	Income 35
Child Care Center Family Care Home Investment	Income 7
Employer Child Care Investment	Income 7
School-to-Career Investment	Income 32
Enterprise Zone Credits*	Income 10, 11, 22, 23, 24, 31 and 36
Colorado Works Program	Income 34
Remediation of Contaminated Land	Income 42
Low-income Housing	Income 46
Aircraft Manufacturer New Employee	Income 62
Job Growth Incentive	Income 66

Colorado Advanced Industries (Contact the Colorado Economic Development Commission. A credit certificate issued by the Commission must be submitted with any return claiming this credit.)	
Gross Conservation Easement	Income 39
Refundable Innovative Motor Vehicle	Income 69

## Business Personal Property Credit for Composite Return Business Owners

This credit is only available if business personal property tax was paid to a Colorado county in 2017 and the business had business personal property valued at \$15,000 or less.

Submit a copy of the assessor's statement with your return. A partner, shareholder, or member may elect to claim this credit individually instead of included in the composite by filing a Colorado individual income tax return.

Business personal property credit calculation worksheet:

Enter the amount of business personal property tax paid in 2017. (Enter only the pro rata amount of tax paid by the composite members).	<b>A</b>
Credit Rate	<b>B.5577</b>
Multiply line A times line B to calculate the credit allowed. Enter on the DR 0106CR line 25 in column C.	

**\*The Department strongly recommends electronic filing for taxpayers with enterprise zone credits. Failure to file electronically may result in delays processing your return.**

**Note! There are two credits that are available for the preservation of historic properties and structures. Each credit has a different certification process and is subject to different limitations and qualification requirements.**

**The Historic Property Preservation credit (§39-22-514, C.R.S.) must be claimed on line 6 of the DR 0106CR. For more information on this credit, review FYI Income 1.**

**The Preservation of Historic Structures credit (§39-22-514.5, C.R.S.) must be claimed on lines 20 through 22 of the DR 0106CR. For more information on this credit, review resources available online from the Colorado Office of Economic Development or from History Colorado.**



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### Colorado Pass-Through Entity Credit Schedule

Organization Name	Colorado Account Number

#### Credit for Tax Paid to Another State by an S-Corporation

1. Name of State ● 1				
2. Income from sources in the other state ● 2				
	● A. Tax Paid	● B. Tax Allocated to Partners, Shareholders, or Members <b>not</b> included in this composite	● C. Tax Allocated to Partners, Shareholders, or Members included in this composite	
3. Tax liability to other state ● 3	00	00	00	00

#### Non-refundable Credits

	● A. Credit Available	● B. Credit Allocated to Partners, Shareholders, or Members <b>not</b> included in this composite	● C. Credit Allocated to Partners, Shareholders, or Members included in this composite	
4. New investment credit ● 4	00	00	00	00
5. Old investment tax credit ● 5	00	00	00	00
6. Historic property preservation credit, you must submit the certification with your return. ● 6	00	00	00	00
7. Child care contribution credit, you must submit the DR 1317 with your return. ● 7	00	00	00	00
8. Child care center, family care home investment credit, you must submit a copy of your facility license and a list of depreciable tangible personal property with your return. ● 8	00	00	00	00
9. Employer child care investment credit, you must submit a copy of your facility license and a list of depreciable tangible personal property with your return. ● 9	00	00	00	00
10. School-to-career investment credit, you must submit your certification letter with your return. ● 10	00	00	00	00
11. Colorado works program credit, you must submit a copy of the letter from the county Department of Social/Human Services with your return. ● 11	00	00	00	00
12. Remediation of contaminated land credit, you must submit authorization from CDPHE with your return. ● 12	00	00	00	00
13. Aircraft manufacturer new employee credit, you must submit the DR 0085 and DR 0086 with your return. ● 13	00	00	00	00
14. Colorado job growth incentive credit, you must submit certification from the EDC with your return. ● 14	00	00	00	00
15. Credit for advanced industries, you must submit certification from the EDC with your return. ● 15	00	00	00	00





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Name	Account Number			
16. Certified auction group license fee credit, you must submit a copy of the certification with your return. ● 16	00	00	00	00
17. Non-refundable Enterprise Zone credits from the DR 1366 line 87, you must submit the DR 1366 with your return. ● 17	00	00	00	00
18. Low-income housing credit, you must submit the CHFA certification with your return. ● 18	00	00	00	00
19. Credit for food contributed to hunger-relief charitable organizations, you must submit the DR 0346 with your return. ● 19	00	00	00	00
20. Preservation of Historic Structures credit carried forward from a prior year. ● 20	00	00	00	00
21. Preservation of Historic Structures credit, you must submit the certificate from OEDIT with your return. ● 21	00	00	00	00
22. If you are claiming the Preservation of Historic Structures credit enter your credit certificate number issued by OEDIT. ● 22				
23. Rural Jump Start Zone credit, you must submit certificate from Office of Economic Development AND the DR 0113 with your return. ● 23	00	00	00	00
24. Total non-refundable credits, sum of lines 4 through 23. Enter here and transfer the amount in Column C to line 14 on the DR 0106 composite return. ● 24	00	00	00	00
<b>Refundable Credits</b>				
	● A. Credit Available	● B. Credit Allocated to Partners, Shareholders, or Members <b>not</b> included in this composite	● C. Credit Allocated to Partners, Shareholders, or Members included in this composite	
25. Business Personal Property credit - use the worksheet in the 106 Book instructions to calculate. You must submit a copy of the assessor's statement with your return. ● 25	00	00	00	00
26. Innovative Motor Vehicle credit from form DR 0617, you must submit the DR 0617(s) with your return. ● 26	00	00	00	00
27. Refundable Enterprise Zone credits from the DR 1366 line 88, you must submit the DR 1366 with your return. ● 27	00	00	00	00
28. Total refundable credits, sum of lines 25 through 27. Enter here and transfer the amount in Column C to line 19 on the DR 0106 composite return. ● 28	00	00	00	00



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