

Partnership Instructions for Colorado K-1 (DR 0106K)

Partnerships must complete a Colorado K-1 (DR 0106K) for each of its partners for each tax year. Completed Colorado K-1s must be filed with the Department, as described below. On or before the date the Colorado K-1s are filed with the Department, the partnership must furnish each partner with a copy of the Colorado K-1 reporting their income, deductions, modifications, and credits.

Due Dates

Colorado K-1s are 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. Colorado K-1s for calendar year 2024 are due on April 15, 2025. If the due date falls on a weekend or legal holiday, the Colorado K-1s will be due the next business day.

Filing Colorado K-1s with the Department

Partnerships must submit a copy of each partner's Colorado K-1 to the Department. These copies may be submitted in spreadsheet or XML form at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline). Partnerships may also enter the data manually at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline). Partnerships who file through MeF can submit each partner's Colorado K-1 as part of their partnership return. Finally, paper copies may be submitted with the Annual Transmittal of DR 0106K – Colorado K-1 Forms cover sheet (form DR 1706) by mail to:

**Colorado Department of Revenue
Denver, CO 80261-0006**

Do not submit the copies of the Colorado K-1s issued to partners (or the DR 1706 transmittal form) as an attachment to any paper form DR 0106 filed by the partnership.

Completing the Colorado K-1

Fiscal Year Filers

If the partnership's tax year is a fiscal year, enter the dates the partnership's fiscal year begins and ends.

Information About the Partner

Enter the partner's name and address.

Enter the partner's applicable tax identification number. If the partner is an individual, enter the individual's social security number (SSN) or individual taxpayer identification number (ITIN). If the partner is an estate, trust, corporation, partnership, or other legal entity, enter the partner's federal employer identification number (FEIN).

Check the applicable box to indicate whether the partner is a Colorado resident or nonresident. Check the applicable box to indicate the partner is a resident if they were a Colorado resident for the entire tax year or for any part of the tax year.

- An individual is a Colorado resident if they are domiciled in Colorado or if they maintain a permanent place of abode in Colorado and spend in the aggregate more than six months of the taxable year in Colorado. See Part 1 of the Colorado Individual Income Tax Guide for additional assistance in determining Colorado residency for individuals.
- An estate is a Colorado resident if it is the estate of a deceased person that is administered in Colorado in a proceeding other than an ancillary proceeding.
- A trust is a Colorado resident if it is administered in Colorado.

A C corporation that is a partner in a partnership is a Colorado resident partner if it is organized under Colorado law.

A partnership that is a partner in another partnership is a Colorado resident partner if it is organized under Colorado law. A limited liability company (LLC) that is treated as a partnership for federal income tax purposes is treated as a partnership for Colorado income tax purposes.

Part-Year Resident Partners

If a partner was a resident for only part of the tax year, check the box to indicate that they were a resident and complete the Colorado K-1 for the partner following the instructions for resident partners.

SALT Parity Act Election

If the partnership has made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, check the applicable box to indicate the SALT Parity Act election. A SALT Parity Act election made by a partnership is binding on all of its partners, regardless of whether the partner is an individual, corporation, or other legal entity, and regardless of whether the partner is a resident or nonresident. The election does not apply to any partner that is a C corporation that is unitary with the partnership. Check the box to indicate that they are an excluded nonresident.

Nonresident Partners

If the partner is a nonresident of Colorado and an individual, estate, or trust, check the applicable box to indicate whether the partnership is filing a composite return that includes the partner, the partnership has filed or is filing a DR 0107 for the partner, or the partnership is making a SALT Parity Act election. If the partner is a nonresident of Colorado and is a corporation or partnership, check the box to indicate that they are an excluded nonresident.

A form DR 0107 filed with the Department for a nonresident partner remains in effect for future tax years. The partnership does not need to submit a new form DR 0107 for the same nonresident partner each year.

Information About the Partnership

Enter the partnership's name, address, and either Colorado account number or federal employer identification number (FEIN).

Partner's or Shareholder's Share of Income and Other items

On each Colorado K-1, the partnership must report in Column A (Partner's or Shareholder's Share of Income and Other Items) the partner's distributive share of each item listed. In Column B (Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado), the partnership must report for each nonresident partner the portion of each listed item derived from sources in Colorado or otherwise attributable to Colorado. In each column, enter income and gains as positive numbers; enter losses and deductions as negative numbers. For paper returns, put negative amounts in parentheses, for example, (\$1,234). The following instructions provide guidance for determining the amounts to enter in each column.

Federal Income and Deductions

Enter on lines 1 through 8 and line 12 in Column A the income and deduction information from the partner's federal Schedule K-1. Enter income and gains as positive numbers. Enter any losses on lines 1, 2, 3, or 8, and any federal deductions on line 12, as negative amounts.

Colorado K-1 (Form DR 0106K)	Partner's Schedule K-1 (IRS Form 1065)
1. Ordinary business income (loss)	Box 1
2. Net rental real estate income (loss)	Box 2
3. Other net rental income (loss)	Box 3
4. Total guaranteed payments	Box 4c
5. Interest and dividends	Sum of Boxes 5 and 6a
6. Royalties	Box 7
7. Net capital gain	Sum of Boxes 8, 9a, and 10
8. Other income (loss)	Box 11
12. Federal deductions	Sum of Boxes 12 and 13

Complete lines 1 through 13 in Column B for each nonresident partner that is an individual, estate, or trust. Leave these lines in Column B blank for all resident partners and for all partners that are corporations or partnerships.

Enter on line 4 in Column B (Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado) the portion of the nonresident partner's guaranteed payments from Column A that is derived from sources within Colorado as determined pursuant to 1 CCR 201-2, Rule 39-22-109(3)(b)(xii).

Enter on lines 1 through 3, lines 5 through 8, and line 12 in Column B the portions of the nonresident partner's distributive shares of income and deduction from Column A that are derived from sources within Colorado as determined pursuant to section 39-22-203(1)(a), C.R.S. Amounts derived from sources within Colorado are either determined in accordance with the provisions of section 39-22-109, C.R.S., and Rule 39-22-109 or, at the partnership's election, apportioned or allocated to Colorado pursuant to section 39-22-303.6, C.R.S., and the related rules. See Part V of form DR 0106 and General Information Letter 22-003.

Line 9 State income tax addback

Partner's or Shareholder's Share of Income and Other Items (Column A)

For all partners that are not C corporations, enter on line 9 in Column A the partner's distributive share of any state income tax that was either:

- deducted by the partnership on line 14 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

Report on line 9 the partner's distributive share of all deducted state income taxes, regardless of the state to which the income tax was paid or accrued.

For all partners that are C corporations, enter on line 9 in Column A the partner's distributive share of any Colorado income tax that was either:

- deducted by the partnership on line 14 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

The partner's distributive share of the deduction is determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 9 in Column B the partner's distributive share of any Colorado income tax deducted by the partnership on line 14 of IRS Form 1065 for the tax year. The partner's distributive share of the deduction claimed by the partnership must be determined in accordance with the partner's distributive share, for federal income tax purposes, of partnership taxable income or loss generally.

Line 10 Business meals addition

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter the partner's distributive share of any federal business deduction claimed by the S corporation for the income tax year for business meals under section 274(k) of the Internal Revenue Code.

The partner's distributive share of any addition is determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Include on line 10 in Column B the amount of the business meals addback from Column A to the extent that the business meal expenses were in Colorado.

Line 11 Other Colorado additions

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter on line 11 in Column A the partner's distributive share of any required Colorado additions not reported on lines 9 or 10.

Report on line 11 the partner's distributive share of any addition required for non-Colorado state or local bond interest, including any non-Colorado state or local bond interest reported on line 11 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. The required addition does not include any amortization of the bond premium and is reduced by the amount of the deductions required by the Internal Revenue Code to be allocated to the interest income.

Report on line 11 the partner's distributive share of following additions, including any of the following additions reported on line 11 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. The partner's distributive share of any addition is determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

- Business expenses deducted by the partnership in the calculation of federal taxable income for wages or remuneration paid to an unauthorized alien for the physical performance of services in Colorado;
- Expenses deducted by the partnership in the calculation of federal taxable income that were incurred with respect to expenditures made at, or payments made to, any club that is licensed pursuant to section 44-3-418, C.R.S., that has a policy to restrict membership on the basis of sex, sexual orientation, gender identity, gender expression, marital status, race, creed, religion, color, ancestry, or national origin.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 11 in Column B the portions of the partner's distributive shares of the additions from Column A that are attributable to Colorado.

Include on line 11 in Column B the full amount of any of the following additions entered in Column A:

- Business expenses deducted by the partnership in the calculation of federal taxable income for wages or remuneration paid to an unauthorized alien for the physical performance of services in Colorado; and
- Expenses deducted by the partnership in the calculation of federal taxable income that were incurred with respect to expenditures made at, or payments made to, any club that is licensed pursuant to section 44-3-418, C.R.S., that has a policy to restrict membership on the basis of sex, sexual orientation, gender identity, gender expression, marital status, race, creed, religion, color, ancestry, or national origin.

See sections 39-22-104, 39-22-202, and 39-22-203, C.R.S., and 1 CCR 201-2, Rules 39-22-109 and 39-22-110 for additional information regarding Colorado additions.

Line 13 Colorado subtractions

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter on line 13 in Column A the partner's distributive share of any allowable Colorado subtractions. Enter subtractions on line 13 as a negative amount.

Report on line 13 the partner's distributive share of any interest income on obligations of the United States and its possessions, including any U.S. Government interest reported on line 13 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

Report on line 13 the partner's distributive share of following subtractions, including any of the following subtractions reported on line 13 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. The partner's distributive share of any subtraction is determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

- If the partnership is licensed under the "Colorado Marijuana Code," 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;
- If the partnership is licensed under the "Colorado Natural Medicine Code," 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 natural medicine is a controlled substance under federal law;
- If the partnership is an "export taxpayer" as defined in section 39-22-206, C.R.S., any partnership income or gain that constitutes foreign source income for federal income tax purposes;
- For all partners that are not C corporations, the amount of any refund or credit for overpayment of income taxes imposed by Colorado or any other taxing jurisdiction to the extent included in the partnership's gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes; and
- For all partners that are C corporations, the amount of any refund or credit for overpayment of income taxes imposed by Colorado to the extent included in the partnership's gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 13 in Column B the portions of the partner's distributive shares of the subtractions from Column A that are attributable to Colorado.

Include on line 13 in Column B the full amount of any of the following subtraction entered in Column A:

- If the partnership is licensed under the "Colorado Marijuana Code," 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; and
- If the partnership is licensed under the "Colorado Natural Medicine Code," 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 natural medicine is a controlled substance under federal law.

Include on line 13 in Column B the amount of the following subtraction entered in Column A to the extent the underlying or related income is included on lines 1 through 8 in Column A:

- The amount of any refund or credit for overpayment of income taxes imposed by Colorado or any other taxing jurisdiction to the extent included in the partnership's gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes.

See sections 39-22-104, 39-22-202, and 39-22-203, C.R.S., and 1 CCR 201-2, Rules 39-22-109 and 39-22-110 for additional information regarding Colorado subtractions.

Lines 14 and 15 Partner's Share of Total Receipts and Non-Appportionable Income

Lines 14 and 15 of the Colorado K-1 must be completed for any partner that is a C corporation or that is treated as a C corporation for Colorado income tax purposes, but is not required for any other partner, unless the partner needs the information reportable on these lines for the preparation of their Colorado income tax return.

Enter on line 14 in Column A the partner's distributive share of the total receipts from line 8 in the "Everywhere" column of the partnership's form DR 0106, part V. Enter on line 14 in Column B the partner's distributive share of the total receipts from line 8 in the "Colorado" column of the partnership's form DR 0106, part V. The partner's distributive shares of receipts entered in both columns are determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

Enter on line 15 in Column A the partner's distributive share of the total income directly allocable to any state from line 10 of the partnership's form DR 0106, part V. Enter on line 15 in Column B the partner's distributive share of the total income directly allocable to Colorado from line 13 of the partnership's form DR 0106, part V. The partner's distributive shares of directly allocable income entered in both columns are generally determined with the same ratio used to determine the partner's distributive share of partnership taxable income or loss generally for federal income tax purposes.

Line 16 Partner's or shareholder's Share of Tax Paid with a Composite Return or SALT Parity Election

If the partner is included in a composite nonresident return filed by the partnership, enter on line 16 the nonresident partner's share of the composite tax calculated and paid by the partnership pursuant to section 39-22-601(5.5)(d)(III), C.R.S. Sum the amounts on lines 1 through 3 and lines 5 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.

If the partnership has made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, enter on line 16 the partner's share of the tax calculated and paid by the partnership pursuant to section 39-22-344(1), C.R.S. The partner's share of the tax calculated and paid depends on whether the partner is a resident or nonresident of Colorado for the tax year.

- In the case of a resident partner, including a partner who is a part-year resident for the tax year, sum the amounts on lines 1 through 3 and lines 5 through 13 in Column A, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.
- In the case of a nonresident partner, sum the amounts on lines 1 through 3 and lines 5 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.

Do not enter on line 16 any amount that the partnership has not remitted to the Department. The total amounts entered on all Colorado K-1s must equal the total amounts tax calculated and paid by the partnership filing the composite return or making the SALT parity election.

Partner's or Shareholder's Share of Credits

Enter on the applicable line the partner's distributive share of any credits allowed to the partnership for the tax year. If the partnership was a partner (an "upper-tier partnership") in another partnership (a "lower-tier partnership"), include on each partner's Colorado K-1 their distributive share of any credits passed through to them from the lower-tier partnership. Do not include any credits that are applied on form DR 0106CR toward the partner's share of tax in a composite return filed by the partnership or any credits allowed in prior tax years.

Line 17 Recapture of Prior Years Credits

Enter the partner's distributive share of any required recapture of credits claimed in a prior tax year, such as the affordable housing credit or the historic property preservation credit.

Line 18 Advanced Industry Investment Credit

Information regarding the advanced industries investment tax credit is available online at OEDIT.Colorado.gov/advanced-industries-investment-tax-credit

Line 19 Business Personal Property Credit

For information about the business personal property tax credit, please see Department publication *Income Tax Topics: Business Personal Property Credit*, available online at Tax.Colorado.gov/guidance-publications.

Line 20 Child Care Center Family Care Home Investment Credit

For information about the credit, please see section 39-22-517, C.R.S.

Line 21 Child Care Contribution Credit

For information about the child care contribution credit, please see Department publication *Income Tax Topics: Child Care Contribution Credit*, available online at Tax.Colorado.gov/guidance-publications

Line 22 Colorado Job Growth Incentive Credit

Information regarding the advanced industries investment tax credit is available online at OEDIT.Colorado.gov/job-growth-incentive-tax-credit

Line 24 Preservation of Historic Structures Credit

For information about the credit, please visit OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit and Historycolorado.org/preservation-tax-credits

Line 25 SALT Parity Credit From Lower-Tier Partnership

If the partnership is a partner (an “upper-tier partnership”) in another partnership (a “lower-tier partnership”) that made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, enter on line 24 the partner’s distributive share of the upper-tier partnership’s share of the tax calculated and paid by the lower-tier partnership pursuant to section 39-22-344(1), C.R.S.

Lines 23 and 26 through 35 Enterprise Zone Tax Credits

For information about enterprise zone tax credits, please see the Enterprise Zone Tax Guide and Department publication *Income Tax Topics: Enterprise Zone Contribution Credits*, both of which are available online at Tax.Colorado.gov/guidance-publications.

Line 36 Heat Pump Credit for Registered Contractors

For information about the credit, please see form DR 1322 and visit EnergyOffice.Colorado.gov/hptc.

Line 37 Refundable Residential Energy Storage Systems Credit

For information about the credit, please see form DR 1307.

Line 38 Nonrefundable Residential Energy Storage Systems Credit

For information about the credit, please see form DR 1307.

Line 39 Homeless Contribution Credit

Information regarding the credit is available at CDOLA.Colorado.gov/hctc

Line 40 Alternative Transportation Options Credit

For information about the credit, please see Department publication *Income Tax Topics: Alternative Transportation Options Credit*, available online at Tax.Colorado.gov/guidance-publications, and visit Tax.Colorado.gov/alternative-transportation-option-tax-credit

Line 41 Employer Assistance for Home Purchase Credit

For information about the credit, please see Department publication *Income Tax Topics: Employer Contributions to Home Savings Accounts*, available online at Tax.Colorado.gov/guidance-publications

Line 42 Colorado Film Incentive Credit

For information about the credit, please visit OEDIT.Colorado.gov/colorado-film-incentive

Line 43 Food Accessibility Credit, Certified by the Department of Agriculture

For information about the credit, please visit

AG.Colorado.gov/markets/markets-funding/community-food-access-program

Line 44 Certified Greenhouse Gas Avoidance Credits

Enter on this line any of the following credits certified by the Colorado Energy Office:

- Industrial Clean Energy Credit
- Geothermal Energy Expenditure Credit
- Geothermal Energy Production Credit
- Sustainable Aviation Fuel Production Credit
- Clean Hydrogen Credit

For information about the Industrial Clean Energy Credit and Geothermal Energy Credits, please visit

EnergyOffice.Colorado.gov/citco and EnergyOffice.Colorado.gov/geothermal-tax-credit

Line 45 Electric-Powered Lawn Equipment Credit for Qualified Retailers

For information about the credit, please see Department publication Income Tax Topics: Electric-Powered Lawn Equipment Credit, available online at Tax.Colorado.gov/guidance-publications

Line 46 Other Credits

Please visit Tax.Colorado.gov/guidance-publications for information about any other Colorado income tax credits.

S corporation Instructions for Colorado K-1 (DR 0106K)

S corporations must complete a Colorado K-1 (DR 0106K) for each of its shareholders for each tax year. Completed Colorado K-1s must be filed with the Department, as described below. On or before the date the Colorado K-1s are filed with the Department, the S corporation must furnish each shareholder with a copy of the Colorado K-1 reporting their income, deductions, modifications, and credits.

Due Dates

Colorado K-1s are 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. Colorado K-1s for calendar year 2024 are due on April 15, 2025. If the due date falls on a weekend or legal holiday, the Colorado K-1s will be due the next business day.

Filing Colorado K-1s with the Department

S corporations must submit a copy of each shareholder's Colorado K-1 to the Department. These copies may be submitted in spreadsheet or XML form at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline). S corporations may also enter the data manually at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline). S corporations who file through MeF can submit each shareholder's Colorado K-1 as part of their S corporation return. Finally, paper copies may be submitted with the Annual Transmittal of DR 0106K – Colorado K-1 Forms cover sheet (form DR 1706) by mail to:

**Colorado Department of Revenue
Denver, CO 80261-0006**

Do not submit the copies of the Colorado K-1s issued to shareholders (or the DR 1706 transmittal form) as an attachment to any paper form DR 0106 filed by the S corporation.

Completing the Colorado K-1

Fiscal Year Filers

If the S corporation's tax year is a fiscal year, enter the dates the S corporation's fiscal year begins and ends.

Information About the Shareholder

Enter the shareholder's name and address.

Enter the shareholder's applicable tax identification number. If the shareholder is an individual, enter the individual's social security number (SSN) or individual taxpayer identification number (ITIN). If the shareholder is an estate or trust, enter the shareholder's federal employer identification number (FEIN).

Check the applicable box to indicate whether the shareholder is a Colorado resident or nonresident. Check the applicable box to indicate the shareholder is a resident if they were a Colorado resident for the entire tax year or for any part of the tax year.

- An individual is a Colorado resident if they are domiciled in Colorado or if they maintain a permanent place of abode in Colorado and spend in the aggregate more than six months of the taxable year in Colorado. See Department publication Part 1 of the Colorado Individual Income Tax Guide for additional assistance in determining Colorado residency for individuals.
- An estate is a Colorado resident if it is the estate of a deceased person that is administered in Colorado in a proceeding other than an ancillary proceeding.
- A trust is a Colorado resident if it is administered in Colorado.

Part-Year Resident Shareholders

If a shareholder was a resident for only part of the tax year, check the box to indicate that they were a resident and complete the Colorado K-1 for the shareholder following the instructions provided below for resident shareholders.

SALT Parity Act Election

If the S corporation has made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, check the applicable box to indicate the SALT Parity Act election. A SALT Parity Act election made by a S corporation is binding on all of its shareholders, regardless of whether the shareholder is an individual, estate, or trust, and regardless of whether the shareholder is a resident or nonresident.

Nonresident Shareholders

If the shareholder is a nonresident of Colorado and an individual, estate, or trust, check the applicable box to indicate whether the S corporation is filing a composite return that includes the shareholder, the S corporation has filed or is filing the DR 0107 for the shareholder, or the S corporation is making a SALT Parity Act Election.

A form DR 0107 filed with the Department for a nonresident shareholder remains in effect for future tax years. The S corporation does not need to submit a new form DR 0107 for the same nonresident shareholder each year.

Information About the S corporation

Enter the S corporation's name, address, and either Colorado account number or federal employer identification number (FEIN).

Partner's or Shareholder's Share of Income and Other items

On each Colorado K-1, the S corporation must report in Column A (Partner's or Shareholder's Share of Income and Other Items) the shareholder's pro rata share of each item listed. In Column B (Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado), the S corporation must report for each nonresident shareholder the portion of each listed item attributable to Colorado. In each column, enter income and gains as positive numbers; enter losses and deductions as negative numbers. For paper returns, put negative amounts in parentheses, for example, (\$1,234). The following instructions provided guidance for determining the amounts to enter in each column.

Federal Income and Deductions

Enter on lines 1 through 8 and line 12 in Column A the income and deduction information from the shareholder's federal Schedule K-1. Enter income and gains as positive numbers. Enter any losses on lines 1, 2, 3, or 8, and any federal deductions on line 12, as negative amounts.

Colorado K-1 (Form DR 0106K)	Shareholder's Schedule K-1 (IRS Form 1120-S)
1. Ordinary business income (loss)	Box 1
2. Net rental real estate income (loss)	Box 2
3. Other net rental income (loss)	Box 3
4. Total guaranteed payments	N/A
5. Interest and dividends	Boxes 4 and 5a
6. Royalties	Box 6
7. Net capital gain	Boxes 7, 8a, and 9
8. Other income (loss)	Box 10
12. Federal deductions	Boxes 11 and 12

Complete lines 1 through 13 in Column B for each nonresident shareholder. Leave these lines in Column B blank for all resident shareholders.

Enter on lines 1 through 8 and line 12 in Column B the portions of the nonresident shareholder's pro rata shares of income and deduction from Column A that are apportioned or allocated to Colorado pursuant to section 39-22-303.6, C.R.S., and, if applicable section 39-22-303.7, C.R.S.

Line 9 State income tax addback

Partner's or Shareholder's Share of Income and Other Items (Column A)

For all resident shareholders, enter on line 9 in Column A the shareholder's pro rata share of any state income tax that was either:

- deducted by the S corporation on line 12 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

Report on line 9 the resident shareholder's pro rata share of all deducted state income taxes, regardless of the state to which the income tax was paid or accrued.

For all nonresident shareholders enter on line 9 in Column A the shareholder's pro rata share of any Colorado income tax that was either:

- deducted by the S corporation on line 12 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

The shareholder's pro rata share of the deduction claimed by the S corporation is determined in the manner provided in, and subject to any election made under, section 1377(a) or 1362(e), as the case may be, of the Internal Revenue Code.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 9 in Column B the shareholder's pro rata share of any Colorado income tax deducted by the S corporation on line 12 of IRS Form 1120-S for the tax year. The shareholder's pro rata share of the deduction claimed by the S corporation is determined in the manner provided in, and subject to any election made under, section 1377(a) or 1362(e), as the case may be, of the Internal Revenue Code.

Line 10 Business meals addition

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter the shareholder's pro rata share of any federal business deduction claimed by the S corporation for the income tax year for business meals under section 274(k) of the Internal Revenue Code. The shareholder's pro rata share of the addition is determined with the same ratio used to determine the shareholder's pro rata shares of items of income, loss, deduction, or credit for federal income tax purposes. See section 39-22-321(4), C.R.S., and sections 1377(a) and 1362(e) of the Internal Revenue Code.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Include on line 10 in Column B the amount of the business meals addback from Column A to the extent that the business meal expenses were in Colorado.

Line 11 Other Colorado additions

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter on line 11 in Column A the shareholder's pro rata share of any required Colorado additions that are not reported on lines 9 or 10.

Report on line 11 the shareholder's pro rata share of any addition required for non-Colorado state or local bond interest, including any non-Colorado state or local bond interest reported on line 11 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. The required addition does not include any amortization of the bond premium and is reduced by the amount of the deductions required by the Internal Revenue Code to be allocated to the interest income.

Report on line 11 the shareholder's pro rata share of the following additions, including any of the following additions reported on line 11 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. The shareholder's pro rata share of any addition is determined with the same ratio used to determine the shareholder's pro rata shares of items of income, loss, deduction, or credit for federal income tax purposes. See section 39-22-321(4), C.R.S., and sections 1377(a) and 1362(e) of the Internal Revenue Code.

- Any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States deducted by the S corporation on line 12 of IRS Form 1120-S for the tax year;
- Business expenses deducted by the S corporation in the calculation of federal taxable income for wages or remuneration paid to an unauthorized alien for the physical performance of services in Colorado;
- Expenses deducted by the S corporation in the calculation of federal taxable income that were incurred with respect to expenditures made at, or payments made to, any club that is licensed pursuant to section 44-3-418, C.R.S., that has a policy to restrict membership on the basis of sex, sexual orientation, gender identity, gender expression, marital status, race, creed, religion, color, ancestry, or national origin.

Partner's or Shareholder's Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 11 in Column B the portions of the shareholder's pro rata shares of the additions from Column A that are attributable to Colorado.

Include on line 11 in Column B the full amount of any of the following additions entered on line 11 in the in Column A:

- Business expenses deducted by the S corporation in the calculation of federal taxable income for wages or remuneration paid to an unauthorized alien for the physical performance of services in Colorado; and
- Expenses deducted by the S corporation in the calculation of federal taxable income that were incurred with respect to expenditures made at, or payments made to, any club that is licensed pursuant to section 44-3-418, C.R.S., that has a policy to restrict membership on the basis of sex, sexual orientation, gender identity, gender expression, marital status, race, creed, religion, color, ancestry, or national origin.

See sections 39-22-104, 39-22-304, 39-22-322, and 39-22-323, C.R.S., and 1 CCR 201-2, Rules 39-22-109 and 39-22-110 for additional information regarding Colorado additions.

Line 13 Colorado subtractions

Partner's or Shareholder's Share of Income and Other Items (Column A)

Enter on line 13 in Column A the shareholder's pro rata share of any allowable Colorado subtractions. Enter subtractions on line 13 as a negative amount.

Report on line 13 the shareholder's pro rata share of any interest income on obligations of the United States and its possessions, including any U.S. Government interest reported on line 13 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

Report on line 13 the shareholder's pro rata share of following subtractions, including any of the following subtractions reported on line 13 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. The shareholder's pro rata share of any subtraction is determined with the same ratio used to determine the shareholder's pro rata shares of items of income, loss, deduction, or credit for federal income tax purposes. See section 39-22-321(4), C.R.S., and sections 1377(a) and 1362(e) of the Internal Revenue Code.

- If the S corporation is licensed under the “Colorado Marijuana Code,” 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;
- If the S corporation is licensed under the “Colorado Natural Medicine Code,” 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 natural medicine is a controlled substance under federal law;
- For all resident shareholders, the amount of any refund or credit for overpayment of income taxes imposed by Colorado or any other taxing jurisdiction to the extent included in the S corporation’s gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes;
- For all nonresident shareholders, the amount of any refund or credit for overpayment of income taxes imposed by Colorado to the extent included in the S corporation’s gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes; and
- Any portion of wages or salaries paid or incurred by the S corporation for the tax year, but which are not deductible for federal income tax purposes due to section 280C of the Internal Revenue Code.

Partner’s or Shareholder’s Share of Income and Other Items Attributable to Colorado (Column B)

Enter on line 13 in Column B the portions of the shareholder’s pro rata shares of the subtractions from Column A that are attributable to Colorado.

Include on line 13 in Column B the full amount of any of the following subtraction entered on line 13 in the in Column A:

- If the S corporation is licensed under the “Colorado Marijuana Code,” 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; and
- If the partnership is licensed under the “Colorado Natural Medicine Code,” 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 natural medicine is a controlled substance under federal law.

Include on line 13 in Column B the amount of the following subtraction entered on line 13 in Column A to the extent the underlying or related income is included on lines 1 through 8 in Column A:

- The amount of any refund or credit for overpayment of income taxes imposed by Colorado or any other taxing jurisdiction to the extent included in the S corporation’s gross income for federal income tax purposes but not previously allowed as a deduction for Colorado income tax purposes.

Include on line 13 in Column B the amount of the following subtraction entered on line 13 in Column A to the extent the underlying or related expenses or losses are from business activity in Colorado:

- Any portion of wages or salaries paid or incurred by the S corporation for the tax year, but which are not deductible for federal income tax purposes due to section 280C of the Internal Revenue Code.

See sections 39-22-104, 39-22-304, 39-22-322, and 39-22-323, C.R.S., and 1 CCR 201-2, Rules 39-22-109 and 39-22-110 for additional information regarding Colorado subtractions.

Lines 14 and 15 Partner’s Share of Total Receipts and Non-Apportionable Income

The completion of lines 14 and 15 is not required on a Colorado K-1 prepared for any S corporation shareholder, unless the shareholder needs the information reportable on these lines for the preparation of their Colorado income tax return.

If the shareholder requires information regarding their pro rata share of the S corporation's receipts, enter on line 14 in Column A the shareholder's pro rata share of the total receipts from line 8 in the "Everywhere" column of the S corporation's form DR 0106, part V. Enter on line 14 in Column B the shareholder's pro rata share of the total receipts from line 8 in the "Colorado" column of the S corporation's form DR 0106, part V. The shareholder's pro rata shares of receipts entered in both columns are determined with the same ratio used to determine the shareholder's pro rata shares of items of income, loss, deduction, or credit for federal income tax purposes. See section 39-22-321(4), C.R.S., and sections 1377(a) and 1362(e) of the Internal Revenue Code.

If the shareholder requires information regarding their pro rata share of the S corporation's nonapportionable income, enter on line 15 in Column A the shareholder's pro rata share of the total income directly allocable to any state from line 10 of the S corporation's form DR 0106, part V. Enter on line 15 in Column B the shareholder's pro rata share of the total income directly allocable to Colorado from line 13 of the S corporation's form DR 0106, part V. The shareholder's pro rata shares of directly allocable income entered in both columns are determined with the same ratio used to determine the shareholder's pro rata shares of items of income, loss, deduction, or credit for federal income tax purposes. See section 39-22-321(4), C.R.S., and sections 1377(a) and 1362(e) of the Internal Revenue Code.

Line 16 Partner's or shareholder's share of tax paid with a composite return or SALT Parity election

If the shareholder is included in a composite nonresident return filed by the S corporation, enter on line 16 the nonresident shareholder's share of the composite tax calculated and paid by the S corporation pursuant to section 39-22-601(2.7)(d)(III), C.R.S. Sum the amounts on lines 1 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.

If the S corporation has made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, enter on line 16 the shareholder's share of the tax calculated and paid by the S corporation pursuant to section 39-22-344(1), C.R.S. The shareholder's share of the tax calculated and paid depends on whether the shareholder is a resident or nonresident of Colorado for the tax year.

- In the case of a resident shareholder, including a shareholder who is a part-year resident for the tax year, sum the amounts on lines 1 through 13 in Column A, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.
- In the case of a nonresident shareholder, sum the amounts on lines 1 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.

Do not enter on line 16 any amount that the S corporation has not remitted to the Department. The total amounts entered on all Colorado K-1s must equal the total amounts tax calculated and paid by the S corporation filing the composite return or making the SALT parity election.

Partner's or Shareholder's Share of Credits

Enter on the applicable line the shareholder's pro rata share of any credits allowed to the S corporation for the tax year. If the S corporation was a partner in a partnership, include on each shareholder's Colorado K-1 their pro rata share of any credits passed through to them from the partnership. Do not include any credits that are applied on form DR 0106CR toward the shareholder's share of tax in a composite return filed by the S corporation or any credits allowed in prior tax years.

Line 17 Recapture of prior years credits

Enter the shareholder's distributive share of any required recapture of credits claimed in a prior tax year, such as the affordable housing credit or the historic property preservation credit.

Line 18 Advanced Industry Investment credit

Information regarding the advanced industries investment tax credit is available online at OEDIT.Colorado.gov/advanced-industries-investment-tax-credit

Line 19 Business Personal Property credit

For information about the business personal property tax credit, please see Department publication *Income Tax Topics: Business Personal Property Credit*, available online at Tax.Colorado.gov/guidance-publications.

Line 20 Child care center family care home investment credit

For information about the credit, please see section 39-22-517, C.R.S.

Line 21 Child care contribution credit

For information about the child care contribution credit, please see Department publication *Income Tax Topics: Child Care Contribution Credit*, available online at Tax.Colorado.gov/guidance-publications

Line 22 Colorado job growth incentive credit

Information regarding the advanced industries investment tax credit is available online at OEDIT.Colorado.gov/job-growth-incentive-tax-credit

Line 24 Preservation of Historic Structures credit

For information about the credit, please visit OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit and historycolorado.org/preservation-tax-credits

Line 25 SALT Parity credit from lower-tier partnership

If the S corporation is a partner in a partnership (a "lower-tier partnership") that made an election for the tax year pursuant to section 39-22-343, C.R.S., to be subject to tax at the entity level, enter on line 24 the shareholder's pro rata share of the S corporation's share of the tax calculated and paid by the lower-tier partnership pursuant to section 39-22-344(1), C.R.S.

Lines 23 and 26 through 35 Enterprise Zone Tax Credits

For information about enterprise zone tax credits, please see the Enterprise Zone Tax Guide and Department publication *Income Tax Topics: Enterprise Zone Contribution Credits*, both of which are available online at Tax.Colorado.gov/guidance-publications

Line 36 Heat Pump Credit for Registered Contractors

For information about the credit, please see form DR 1322 and visit EnergyOffice.Colorado.gov/hptc

Line 37 Refundable Residential Energy Storage Systems Credit

For information about the credit, please see form DR 1307.

Line 38 Nonrefundable Residential Energy Storage Systems Credit

For information about the credit, please see form DR 1307.

Line 39 Homeless Contribution Credit

Information regarding the credit is available at CDOLA.Colorado.gov/hctc.

Line 40 Alternative Transportation Options Credit

For information about the credit, please see Department publication *Income Tax Topics: Alternative Transportation Options Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications), and visit [Tax.Colorado.gov/alternative-transportation-option-tax-credit](https://tax.colorado.gov/alternative-transportation-option-tax-credit).

Line 41 Employer Assistance for Home Purchase Credit

For information about the credit, please see Department publication *Income Tax Topics: Employer Contributions to Home Savings Accounts*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

Line 42 Colorado Film Incentive Credit

For information about the credit, please visit OEDIT.Colorado.gov/colorado-film-incentive.

Line 43 Food Accessibility Credit, certified by the Department of Agriculture

For information about the credit, please visit AG.Colorado.gov/markets/markets-funding/community-food-access-program.

Line 44 Certified Greenhouse Gas Avoidance Credits

Enter on this line any of the following credits certified by the Colorado Energy Office:

- Industrial Clean Energy Credit
- Geothermal Energy Expenditure Credit
- Geothermal Energy Production Credit
- Sustainable Aviation Fuel Production Credit
- Clean Hydrogen Credit

For information about the Industrial Clean Energy Credit and Geothermal Energy Credits, please visit EnergyOffice.Colorado.gov/citco and EnergyOffice.Colorado.gov/geothermal-tax-credit.

Line 45 Electric-Powered Lawn Equipment Credit for qualified retailers

For information about the credit, please see Department publication *Income Tax Topics: Electric-Powered Lawn Equipment Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

Line 46 Other Credits

Please visit [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications) for information about any other Colorado income tax credits.



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2024 Colorado K-1

● Fiscal Year Beginning (MM/DD/24)		● Fiscal Year Ending (MM/DD/YY)	
● Name of Partner or Shareholder		● Partner's or Shareholder's SSN, ITIN, FEIN, or Colorado Account Number	
● Address		● City	● State ● ZIP
<input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident		<input type="checkbox"/> Composite <input type="checkbox"/> DR 0107 <input type="checkbox"/> Excluded Nonresident <input type="checkbox"/> SALT Parity Election	
● Name of Partnership or S Corporation		● Partnership's or S Corporation's Colorado Account Number or FEIN	
● Address		● City	● State ● ZIP

Partner's or Shareholder's:	● A. Share of Income and Other items	● B. Share of Income and Other Items Attributable to Colorado	
1. Ordinary business income (loss) ●1	00		00
2. Net rental real estate income (loss) ●2	00		00
3. Other net rental income (loss) ●3	00		00
4. Total guaranteed payments ●4	00		00
5. Interest and dividends ●5	00		00
6. Royalties ●6	00		00
7. Net capital gain ●7	00		00
8. Other income (loss) ●8	00		00
9. State income tax addback ●9	00		00
10. Business meals deducted pursuant to section 274(k) of the Internal Revenue Code ●10	00		00
11. Other Colorado additions ●11	00		00
12. Federal deductions ●12	00		00
13. Colorado subtractions ●13	00		00
14. Partner's share of total receipts from line 8 of the DR 0106, part V. ●14	00		00
15. Partner's share of non-apportionable income from the DR 0106, part V. ●15	00	00	
16. Partner's or shareholder's share of tax paid with composite return or SALT Parity election ●16			00





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Name of Partner or Shareholder		Partner's or Shareholder's SSN, ITIN, FEIN, or Colorado Account Number	
Partner's or Shareholder's Share of Credits			Remaining Amount (excluding any credit applied towards composite tax)
17. Recapture of prior year credits	● 17		00
18. Advanced Industry Investment credit	● 18		00
19. Business Personal Property credit	● 19		00
20. Child care center family care home investment credit	● 20		00
21. Child care contribution credit	● 21		00
22. Colorado job growth incentive credit	● 22		00
23. Enterprise zone business facility new employee credit	● 23		00
24. Preservation of Historic Structures credit	● 24		00
25. SALT Parity credit from lower-tier partnership (see instructions)	● 25		00
26. Enterprise zone agricultural processing new employee credit	● 26		00
27. Enterprise zone commercial vehicle investment tax credit	● 27		00
28. Enterprise zone contribution credit	● 28		00
29. Enterprise zone employee health insurance credit	● 29		00
30. Enterprise zone enhanced rural agricultural processing new employee credit	● 30		00
31. Enterprise zone enhanced rural new employee credit	● 31		00
32. Enterprise zone investment tax credit	● 32		00
33. Enterprise zone job training investment tax credit	● 33		00
34. Enterprise zone research and experimental activities credit	● 34		00
35. Enterprise zone vacant commercial building rehabilitation credit	● 35		00
36. Heat Pump Credit for Registered Contractors	● 36		00
37. Refundable Residential Energy Storage Systems Credit	● 37		00
38. Nonrefundable Residential Energy Storage Systems Credit	● 38		00
39. Homeless Contribution Credit	● 39		00
40. Alternative Transportation Options Credit	● 40		00





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Name of Partner or Shareholder	Partner's or Shareholder's SSN, ITIN, FEIN, or Colorado Account Number

41. Employer Assistance for Home Purchase Credit	● 41	00
42. Colorado Film Incentive Credit	● 42	00
43. Food Accessibility Credit, certified by the Department of Agriculture	● 43	00
44. Certified Greenhouse Gas Avoidance Credits	● 44	00
45. Electric-Powered Lawn Equipment Credit for qualified retailers	● 45	00
46. Other Credits, explain below:	● 46	00

Explain	
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