



DO NOT SEND

# Tax Year Ending Computation of Penalty Due Based on Underpayment of Colorado Corporate Estimated Tax

## Instructions

**Part 1:** Generally you are subject to an estimated tax penalty if your current year estimated tax payments are not paid in a timely manner. The estimated tax penalty will not be assessed if the Colorado tax liability is less than \$5,000.

**Part 2:** The required annual amount to be paid is the lesser of:

1. 70% of actual net Colorado tax liability, *or*
2. 100% of preceding year's Colorado tax liability only applies if:

- The preceding year was 12-month tax year, and
- The corporation filed a Colorado return, and
- The corporation is not defined under section 6655 of the federal IRS code as a large corporation.\*

\*Large corporations can base their first quarter estimated tax payment on 25% of the previous year's tax liability. However, future payments must be based on the actual tax liability for the current tax year and any underpayment occurring in the first quarter as a result of this estimation must be paid with the second quarterly payment.

**Part 3:** Compute the penalty on lines 10 through 22 of DR 0205. Complete each column before going to the next column. The dates to be entered on line 10 are the 15th day of the fourth, sixth, ninth and twelfth month of the taxable year. Large corporations must complete line 11 based on the computations from line 9 or, if calculating estimated payments using the annualized installment method, line 29.

*Corporations filing for a short tax year must adjust lines 9, 10 and 11 accordingly. For more information about filing for short tax years, see the Corporate Income Tax Guide, available at [Tax.Colorado.gov](http://Tax.Colorado.gov)*

**Part 4:** Taxpayers who do not receive income evenly during the year may elect to use the annualized income installment method to compute their estimated tax payments if they elected annualized installments or adjusted seasonal installments for the payment of their federal income tax. Complete the annualized installment method schedule to compute the amounts to enter on line 11.

This form should be included with your completed DR 0112 form.  
Visit [Tax.Colorado.gov](http://Tax.Colorado.gov) for additional information regarding the estimated tax penalty.



230205 19999

## 2023 Tax Year Ending Computation of Penalty Due Based on Underpayment of Colorado Corporate Estimated Tax

|  |  |                         |          |
|--|--|-------------------------|----------|
| Corporation Name   |  | Colorado Account Number |          |
|  |  |                         |          |
| <b>Part 1 — Exception</b>  |  |                         |          |
| 1. Enter the current year tax liability including any credit recapture after reduction for all credits other than estimated tax and withholding tax payments   |  | \$                      |          |
| 2. Statutory exemption   |  | \$                      | 5,000.00 |
| 3. Subtract line 2 from line 1. If line 2 is larger, enter zero and no penalty is due.   |  | \$                      |          |
| <b>Part 2 — Required Annual Payment</b>  |  |                         |          |
| 4. Enter the current year tax liability (including any credit recapture) after reduction for all credits other than estimated tax and withholding tax payments   |  | \$                      |          |
| 5. Enter 70% of the amount from line 4   |  | \$                      |          |
| 6. Enter the previous year Colorado tax liability (including any credit recapture) after reduction for all credits other than estimated tax and withholding tax payments. If you did not file a previous year Colorado return, enter the amount from line 5 here and on line 7 |  | \$                      |          |
| 7. Required payment. Enter the smaller of lines 5 or 6   |  | \$                      |          |
| 8. Does the taxpayer qualify as a large corporation under section 6655 of the federal IRS code?  |  |                         |          |
| <input type="checkbox"/> Yes <input type="checkbox"/> No    If yes, go to line 9. If no, skip to line 10   |  |                         |          |
| 9. (a) Enter 25% of line 5   |  | \$                      |          |
| (b) Enter 25% of line 6  |  | \$                      |          |
| (c) Subtract line 9(b) from line 9(a). If line 9(b) is larger, enter 0 on this line.   |  | \$                      |          |
| 1. Enter the smaller of lines 9(a) or 9(b) on line 11 in column 1  |  |                         |          |
| 2. Enter the total of lines 9(a) and 9(c) on line 11 in column 2   |  |                         |          |
| 3. Enter the amount from line 9(a) on line 11 in columns 3 and 4   |  | \$                      |          |



230205 29999

|                  |                         |
|------------------|-------------------------|
| Corporation Name | Colorado Account Number |
|                  |                         |

**Part 3 — Penalty Computation**

|  | Column 1 | Column 2 | Column 3 | Column 4 |
|--|----------|----------|----------|----------|
| 10. Enter each quarterly payment due date in each column to the right on this line   |          |          |          |          |
| 11. Divide the amount on line 7 by four or enter the payments due from line 9 or 29  | \$       | \$       | \$       | \$       |
| 12. Amounts paid in estimated or withholding tax   | \$       | \$       | \$       | \$       |
| 13. Overpayment (on line 15) from preceding period   |          | \$       | \$       | \$       |
| 14. Total of lines 12 and 13   | \$       | \$       | \$       | \$       |
| 15. Underpayment (subtract line 14 from line 11) or <overpayment> (Subtract line 11 from line 14)  | \$       | \$       | \$       | \$       |
| 16. Date of payment or December 31, current year, whichever is earlier   |          |          |          |          |
| 17. Number of days from due date of payment to date on line 16   |          |          |          |          |
| 18. Underpayment on line 15 multiplied by 8% for dates in 2023 or multiplied by 11% for dates in 2024 multiplied by number of days on line 17 divided by 365 (366 for leap year) | \$       | \$       | \$       | \$       |
| 19. Date of payment or due date of return, whichever is earlier  |          |          |          |          |
| 20. Number of days from December 31 or due date of payment, whichever is later, to date on line 19   |          |          |          |          |
| 21. Underpayment on line 15 multiplied by 8% for dates in 2023 or multiplied by 11% for dates in 2024 multiplied by number of days on line 20 divided by 365 (366 for leap year) | \$       | \$       | \$       | \$       |
| 22. Total penalty. Add all amounts on lines 18 and 21. Include this amount as estimated tax penalty on line 40, DR 0112  |          |          |          | \$       |

**Part 4 — Annualized Installment Method Schedule**

|  |       |     |       |       |
|--|-------|-----|-------|-------|
| 23. Ending date of annualization period  |       |     |       |       |
| 24. Colorado taxable income computed through the date on line 23   | \$    | \$  | \$    | \$    |
| 25. Annualization Factor   | 4     | 2.4 | 1.5   | 1.091 |
| 26. Annualized taxable income. Line 24 multiplied by line 25   | \$    | \$  | \$    | \$    |
| 27. Annualized Colorado tax. Line 26 multiplied by 4.4%  | \$    | \$  | \$    | \$    |
| 28. Applicable percentage  | 17.5% | 35% | 52.5% | 70%   |
| 29. Installment payment due. Line 27 multiplied by line 28, subtract amounts entered on line 29 in earlier quarters. Enter here and on line 11 | \$    | \$  | \$    | \$    |