



DO NOT SEND

DR 0233 (08/22/23)
COLORADO DEPARTMENT OF REVENUE
Tax.Colorado.gov

2023 Computation of Penalty Due Based on Underpayment of Colorado Estimated Tax for a Partnership and S Corporation Making a SALT Parity Act Election

Instructions

Part 1: A partnership or S corporation that has made a SALT Parity Act election is subject to the same requirements for estimated tax payments as C corporations. In general, an electing partnership or S corporation must remit four quarterly estimated tax payments if its net Colorado tax liability for the tax year exceeds \$5,000. The electing partnership or S corporation can calculate its estimated tax payments based on its net tax liability for the preceding year only if it made a SALT Parity Act election for that preceding tax year.

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 partnership or S corporation filed a Colorado return, and
- The partnership or S corporation made a SALT Parity election, and
- The partnership or S corporation did not have taxable income of \$1,000,000 or more for any of the three immediately preceding taxable income years.*

*A partnership or S corporation that had a taxable income of \$1,000,000 or more in any of the three immediately preceding tax years (making it a "large partnership" or "large S corporation") can base its 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 0233. 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 partnerships and large S corporations must complete line 11 based on the computations from line 9.

Partnerships and S 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

**This form should be included with your completed DR 0106 form.
Visit Tax.Colorado.gov for additional information regarding the estimated tax penalty.**



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Partnership or S Corporation Name	Colorado Account Number
Part 1 — Exception	
1. Enter the net tax from line 20 of form DR 0106 (Part III: SALT Parity Act Income Tax Return)	\$
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.	\$
Part 2 — Required Annual Payment	
4. Enter the net tax from line 20 of form DR 0106 (Part III: SALT Parity Act Income Tax Return)	\$
5. Enter 70% of the amount on line 4	\$
6. Enter the previous year Colorado tax liability. If you did not file a Colorado return making a SALT Parity Act election for the previous year, enter the amount from line 5 here and on line 7	\$
7. Required payment. Enter the smaller of lines 5 or 6	\$
8. Did the partnership or S corporation have a taxable income of \$1,000,000 or more for any of the three immediately preceding taxable years? <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	\$



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Partnership or S 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	\$	\$	\$	\$
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 28 of form DR 0106.				\$

