



DO NOT SEND

Partner Notification of Final Federal Adjustments For Colorado Income Tax

Partnership Requirements

Partnerships must comply with certain Colorado reporting requirements for final federal adjustments resulting from an IRS audit of the partnership or an administrative adjustment request filed by the partnership with the IRS. In the case of final federal adjustments resulting from an IRS audit, the partnership may make an election to determine and pay at the partnership level any additional Colorado tax resulting from the federal adjustments made in the audit. If a partnership does not make this election, or in the case of an administrative adjustment request, the partnership must, within 90 days of the final determination date, notify each of its direct partners of their distributive share of the final federal adjustments and any additional information the Department may require.

Partnerships may use form DR 0796 to provide direct partners the required notification or may provide all of the information required by form DR 0796 to each of their direct partners by some other means. Partnerships should not send copies of this form to the Department but must maintain records regarding the time and manner in which the required information was provided to each partner. Additionally, partnerships must file with the department a Partnership Federal Adjustments Report.

Additional Information

For additional information, please see department publications Income Tax Topics: Partnership Audit Adjustments and Income Tax Topics: Administrative Adjustment Requests, available online at Tax.Colorado.gov/guidance-publications.

Partner Requirements

Each partner is required to file an amended Colorado income tax return to report their distributive share of any final federal adjustments, unless the partnership included the partner in an amended nonresident composite return or amended SALT Parity Act return or made an election to determine and pay any additional Colorado tax at the partnership level. Partners receiving this notification must file an amended Colorado income tax return for the reviewed year to which the adjustments relate. Partners should not submit a copy of this form DR 0796 with their amended return. If the partner's tax year does not coincide with the partnership's tax year, the partner must report the adjustments on an amended return for their tax year during which the partnership's reviewed tax year ends.

Partners must report their distributive share of the federal adjustments on their amended returns as an "other addition" (in the case of positive federal adjustments) or "other subtractions" (in the case of negative federal adjustments). The Colorado source portion of the final federal adjustments is not reported separately on a partner's return unless the partner is a nonresident individual, estate, or trust (in which case the Colorado source portion of the final federal adjustments is reported on form DR 0104PN or Schedule E of form DR 0105, respectively).



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Partnership's Information

Name Colorado Account Number FEIN

Street Address

City State ZIP Code

Partner's Information

Last Name or Business Name

First Name SSN, FEIN, or ITIN

Street Address

City State ZIP Code

Partnership's Reviewed Year to Which Adjustments Relate:

Beginning (MM/DD/YYYY) Ending (MM/DD/YYYY)

1. Partner's distributive share of federal adjustments

- Enter as positive amounts any positive federal adjustments which increase income or gain or decrease losses or deductions.
- Enter as negative amounts any negative federal adjustments which decrease income or gain or increase losses or deductions.

Final Federal Adjustments

Colorado Source Portion of Final Federal Adjustments

\$

\$

2. Additional Colorado income tax remitted by the partnership for this partner with form DR 0108.

\$



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3. Additional Colorado income tax remitted by the partnership for this partner with either:

- an amended return for a tax year 2022 or later for which a SALT Parity Act election was made;
- or
- an amended nonresident composite return for tax year 2024 or later.

\$

4. Check to indicate if the partner was included in a SALT Parity Act return or a nonresident composite return.

SALT Parity Act return

Nonresident composite return

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