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DR 0106EP (10/19/22)  
COLORADO DEPARTMENT OF REVENUE  
Denver CO 80261-0008  
Tax.Colorado.gov

# Colorado Pass-Through Entity Estimated Income Tax Instructions

*Taxpayers are required to make estimated payments during the tax year if their Colorado income tax due will exceed certain thresholds. This form is used for partnerships and S corporations to make estimated payments.*

## General Rule

In most cases, a partnership or S corporation must pay estimated tax if it will file a composite return on behalf of nonresident partners, and the Colorado income tax liability for any individual partner or shareholder per the composite return will be more than \$1,000 for 2023

A partnership or S corporation that elects to be subject to tax at the entity level under section 39-22-343, C.R.S. is subject to the same requirement to remit quarterly estimated tax payments as C corporations. In general, an electing entity will pay estimated tax if its Colorado income tax liability will exceed \$5,000 for 2023.

## Required Payments

In general, payments are required quarterly, and the amount due is 25% of the required annual payment. The required annual payment is generally 70% of the actual net Colorado tax liability for the current year, or 100% of the actual net Colorado tax liability for the preceding year (whichever is less). For more information on calculating estimated payment for nonresident partners and shareholders included in a composite return, please see the Individual Income Tax Guide.

Please see the Corporate Income Tax guide if the partnership or S corporation intends to make an election under the SALT Parity Act.

## Calculating the Payment

Estimated tax payments must be made on a quarterly basis.

Payments and forms should be submitted using the same account number as will be used on the Colorado Partnership and S Corporation and Composite Nonresident Income Tax Return (DR 0106). If, for any reason, the account numbers are inconsistent, the Department must be notified in writing prior to filing the DR 0106. Mail this notification to:

**Colorado Department of Revenue**  
Denver, CO 80261-0008

## Penalties

Failure to timely remit estimated tax will result in an estimated tax penalty. An estimated tax penalty will also be calculated for each missed or underpaid payment.

For calculation specifics, or to remit this penalty before

being billed, see form DR 0204, Underpayment of Individual Estimated Tax (composite filers) or form DR 0205, Underpayment of Corporate Estimated Tax (entities making an election under the SALT Parity Act).

## Refunds

Estimated tax payments can only be claimed as prepayment credit on the 2023 Colorado income tax return. Therefore, estimated payments cannot be refunded until the 2023 Colorado income tax return is filed.

## SALT Parity Act Election

A partnership or S corporation may, on an annual basis, elect to be subject to tax at the entity level under the SALT Parity Act (section 39-22-343, C.R.S.). This is a binding election on the pass-through entity and all owners, and the election is irrevocable for the tax year. The election can be made during the tax year on this form DR 0106EP, or on the Colorado income tax return (DR 0106) when it is filed after the close of the tax year. Mark this box only if the partnership or S corporation is making the election under the SALT Parity Act for this tax year. This election cannot be revoked for this tax year once it is made. A partnership or S corporation may make required estimated payments before making an election under the SALT Parity Act.

### Go Green with Revenue Online

[Colorado.gov/RevenueOnline](https://tax.colorado.gov/RevenueOnline) allows taxpayers to file taxes, remit payments and monitor their tax accounts. DR 0106EP is not required to be sent if electronic payment is remitted through this site. Please be advised that a nominal processing fee may apply to electronic payments.

### Pay by Electronic Funds Transfer (EFT)

EFT payments can be made safely, for free, and can be scheduled up to 12 months ahead of time to avoid forgetting to make a quarterly payment. This requires pre-registration before payments can be made. Visit [Tax.Colorado.gov/electronic-funds-transfer](https://tax.colorado.gov/electronic-funds-transfer) for registration information.

Additional information, guidance publications and forms are available at [Tax.Colorado.gov](https://tax.colorado.gov), or you can call 303-238-SERV (7378) for assistance.



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## 2023 Colorado Pass-Through Entity Estimated Tax Payment Form

Only return this payment form with a check or money order.  
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DR 0106EP			
<input type="checkbox"/> Mark this box to indicate that this pass-through entity is electing to be subject to tax at the entity level under the SALT Parity Act (section 39-22-343, C.R.S.) for this tax year. This is a binding election on the pass-through entity and all owners, and the election cannot be revoked during the tax year.			
<b>For the calendar year 2023 or the fiscal year:</b>			
Beginning (MM/DD/23)		Ending (MM/DD/YY)	
Return the DR 0106EP with check or money order payable to the "Colorado Department of Revenue". Mail payments to Colorado Department of Revenue, Denver, Colorado 80261-0008. These addresses and zip codes are exclusive to the Colorado Department of Revenue, so a street address is not required. Write your Colorado Account Number or FEIN and "2023 DR 0106EP" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this form. File only if you are making a payment of estimated tax.			
FEIN			
Colorado Account Number			
Organization Name			
Address			
City			
State	ZIP	Due Date (MM/DD/YY)	
			Amount of Payment
<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>			\$

**DO NOT CUT – Return Full Page. IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM.**