



Booklet Includes:
Instructions | DR 0106 | Related Forms

{ 106 } BOOK

Partnerships and S corporations and
Composite Filing for Nonresidents

Colorado Partnerships and S corporations and Composite Filing for Nonresidents Income Tax Filing Guide

This book includes:

- **DR 0107** 2022 Colorado Nonresident Partner or Shareholder Agreement
- **DR 0108** 2022 Statement of Colorado Tax Remittance for Nonresident Partner or Shareholder
- **DR 0158-N** Automatic Filing Extension for Composite Nonresident Income Tax Return
- **DR 0106** 2022 Colorado Partnership and S corporation and Composite Nonresident Income Tax Form
- **DR 0106K** 2022 Colorado K-1
- **DR 0106CR** 2022 Colorado Pass-Through Entity Credit Schedule

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INFORMATION | EDUCATION | ASSISTANCE



COLORADO
Department of Revenue

Mailing Address FOR FORM DR 0106 AND DR 0106CR



**With
Payment**

Colorado Department of Revenue
Denver, CO 80261-0006



**Without
Payment**

Colorado Department of Revenue
Denver, CO 80261-0005

These addresses and zip codes are exclusive to the Colorado Department of Revenue, so a street address is not required.

Mailing Address FOR FORM DR 0158-N AND DR 0108

Colorado Department of Revenue, Denver, CO 80261-0008



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2022 Colorado Nonresident Partner or Shareholder Agreement

Taxable Year of Partner or Shareholder				Taxable Year of Pass-Through Entity			
Beginning MM/DD/YYYY		Ending MM/DD/YYYY		Beginning MM/DD/YYYY		Ending MM/DD/YYYY	
Name and Address of Nonresident Partner or Shareholder				Name and Address of Pass-Through Entity			
SSN or ITIN		FEIN		Colorado Account Number		FEIN	
Last Name or Business Name				Last Name or Business Name			
First Name		Middle Initial		First Name		Middle Initial	
Street or Mailing Address				Street or Mailing Address			
City				City			
State		ZIP		State		ZIP	

I agree to file a Colorado income tax return and make timely payment of all taxes imposed by the state of Colorado with respect to my share of the Colorado income of the pass-through entity named above. I also agree to be subject to personal jurisdiction in the state of Colorado for purposes of the collection of unpaid income tax together with related penalties and interest. I furthermore understand the Department of Revenue will consider the timely first filing of this agreement as applicable to all future filing periods unless notified otherwise.

Taxpayer's or Authorized Agent's Signature	Date (MM/DD/YY)

Submit this agreement when filing the Colorado form DR 0106

A nonresident partner or shareholder can complete this form DR 0107 to establish that they will report the Colorado source income and pay the Colorado tax on any income derived from a Colorado partnership or S corporation.

This form shall be delivered by the nonresident partner or shareholder to the partnership or S corporation, which shall later be submitted by the partnership or S corporation with form DR 0106. This form need only to be filed with the Department for the year in which the agreement is made.

See the instructions for Nonresident Partners and Shareholders in the 106 Book and the income tax guidance publications available at Tax.Colorado.gov for more information.



2022 Statement of Colorado Tax Remittance for Nonresident Partner or Shareholder

In general, partnerships and S Corporations must remit tax payments on behalf of their nonresident partners or shareholders using this DR 0108. However, a payment should not be remitted using DR 0108 for any nonresident partner or shareholder included in a composite return. Payments remitted with DR 0108 are due on the 15th day of the fourth month following the end of the taxable year.

See the instructions for Nonresident Partners and Shareholders in the Book 106 for more information.

ATTENTION TAXPAYERS:

Please note, a **MAXIMUM** of fifty (50) DR 0108 forms may be submitted with a single payment in a single envelope or mailing. DR 0108 totals must exactly match the payments. The Department **WILL NOT** transfer the funds on behalf of the partnership and payments without matching DR 0108 forms **WILL be RETURNED**. **DO NOT** remit payment via EFT.

DR 0108 (06/08/21)			
Return this form 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. Enter on DR 0108 the name and Social Security number, ITIN or FEIN of the nonresident partner or shareholder who will ultimately claim this payment. Do not send cash. Enclose, but do not staple or attach, your payment with this form.			
Shareholder or Partner is (Mark one):			
<input type="checkbox"/> Individual (SSN or ITIN)		<input type="checkbox"/> Estate or Trust (FEIN)	
SSN or ITIN		FEIN	
Last name of nonresident partner or shareholder			
First Name			
			Middle Initial
Address			
City		State	ZIP
Do not use this form for a Corporation or Partnership			
Name of Pass-Through Entity		Colorado Account Number	FEIN
Address			
City		State	ZIP
<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>			
If No Payment Is Due, Do Not File This Form.			
1. Colorado-source income for nonresident partner or shareholder		1	\$
2. Colorado tax remitted, 4.55% of amount on line 1		2	\$

Colorado Partnership and S Corporation Income Tax Return

This filing guide will assist you with completing your Colorado Partnership and S Corporation Income Tax Return. Please read through this guide before starting your return. Once you finish the form, file it with a computer, smartphone or tablet using our free and secure Revenue Online service at Colorado.gov/RevenueOnline. You may also file using private e-File software or with a paid tax preparer. You significantly reduce the chance of errors by filing your return electronically. If you cannot file electronically for any reason, mail the enclosed forms as instructed. All Colorado forms and publications referenced in this guide are available for download at Tax.Colorado.gov — the official Taxation website.

Any partnership or S corporation must file a DR 0106 for any year it is doing business in Colorado. A partnership or S corporation is doing business in Colorado whenever it meets the criteria set forth in Rule 39-22-301(1). Partnerships subject to these requirements include any syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not, for federal income tax purposes, considered a C corporation, trust, or estate.

A change or correction on your return must be reported on a corrected DR 0106 on Revenue Online. If filing on paper, mark the Amended Return box at the top of the corrected DR 0106. The corrected form must include all required schedules even if the schedule was submitted with the original return and has not changed.

What's new this year?

Colorado K-1 Form

Statute generally requires partnerships and S corporations to furnish copies of certain return information to partners and shareholders on or before the day the DR 0106 return is filed. Partners and S corporations will now provide that information on the Colorado K-1 form (DR 0106K). Copies of the Colorado K-1 must also be filed with the Department when form DR 0106 is filed. Electronic copies may be uploaded through Colorado.gov/RevenueOnline or filed with form DR 1706. Do not submit copies of the Colorado K-1 issued to partners or shareholders with the DR 0106 return as attachments. Refer to the instructions for form DR 0106K for further details.

SALT Parity Act Election

Beginning in tax year 2022, partnerships and S corporations may elect to be subject Colorado income tax at the entity level pursuant to the SALT Parity Act. The election is binding upon all partners or shareholders, regardless of whether the partner is an individual, corporation, or other legal entity. The election applies to, and Colorado tax must be paid with respect to, both resident and nonresident partners and shareholders.

Each partner or shareholder is allowed a credit against their Colorado income tax liability equal to the share of the tax imposed upon and paid by the entity with respect to the partner's or shareholder's income. All other credits are passed through to the partner or shareholder and must be claimed on a return filed by the partner or shareholder along with the refundable SALT Parity Act credit. When a partnership or S corporation makes the SALT Parity Act election, all partners or shareholders must add back any deduction taken under section 199A of the Internal Revenue Code.

Forms to make elections and amend returns for tax years 2018 through 2021 will be released in the fall of 2023. Do not use this form to make retroactive elections.

General Instructions

Due Dates for Filing Return

The return is 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. See the extension payment instructions for further information. Calendar year returns are **due on April 15**. If the due date falls on a weekend or federal holiday, return will be due the next business day. On or before the due date (including extensions), you must provide each partner or shareholder a copy of their Colorado K-1 (DR 0106K). Copies of the Colorado K-1 must also be transmitted to the Colorado Department of Revenue when you file this return. For more information on transmitting copies of the Colorado K-1, refer to the instructions for form DR 1706.

Nonresident Partners and Shareholders

Every partnership and S corporation is required to ensure that its nonresident partners and shareholders satisfy their Colorado income tax liabilities resulting from Colorado source partnership or S corporation income as follows:

- File a composite return on behalf of the nonresident partner or shareholder by completing Part II of this return. The tax due on the composite filing is 4.4% of the Colorado source income of the nonresident partners or shareholders included in the composite return. Certain credits may be applied to reduce the tax due.
- Provide a completed Nonresident Partner or Shareholder Agreement (form DR 0107) for the nonresident partner or shareholder. By completing this form, the partner or shareholder agrees to file a Colorado income tax return. The partnership or S corporation is responsible for collecting form DR 0107 and submitting it to the Department with the partnership's or S corporation's return. The timely submission of form DR 0107 will be effective for all future periods unless the Department is notified otherwise.

- Remit a withholding payment with a completed DR 0108 for each nonresident partner or shareholder. The required payment is 4.4% of the nonresident partner's or shareholder's Colorado source income. A separate DR 0108 must be submitted for each partner or shareholder for whom payment is made. Submit no more than 50 DR 0108 forms with a single check.

You must indicate on the Colorado K1 (form DR 0106K) which of these three filing requirements has been elected by each nonresident partner or shareholder. A different method may be elected for each nonresident partner or shareholder. In lieu of the methods described above, the partnership or S corporation may elect under the SALT Parity Act to be subject Colorado income tax at the entity level (see below).

SALT Parity Act Election

Beginning in tax year 2022, partnerships and S corporations may elect to be subject Colorado income tax at the entity level. The election is binding up all of the partners or shareholders. To make this election, check box I. The partnership or S corporation may also make the election by filing form DR 1705. Check the SALT Parity Election box on every Colorado K-1 issued to a partner or shareholder.

If a partnership or S corporation makes a SALT Parity Act election, its tax liability must be calculated with respect to all partners or shareholders (resident and nonresident). Each partner or shareholder must also file a return. A partnership or S corporation that makes a SALT Parity Act election may not also make a composite return on behalf of nonresident partners or shareholders.

Each partner or shareholder is allowed a credit against their Colorado income tax liability equal to the share of the tax imposed upon and paid by the entity with respect to the partner's or shareholder's income. All other credits are passed through to the partner or shareholder and must be claimed on the return filed by the partner or shareholder along with the refundable SALT Parity Act credit. When a partnership or S corporation makes the SALT Parity Act election, all partners or shareholders must add back any deduction taken under section 199A of the Internal Revenue Code.

Estimated Tax Payments

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 tax year 2022, partnerships and S corporations making a SALT Parity Act election are not required to make estimated payments. In general, for tax years beginning on or after January 1, 2023, a partnership or S corporation that will make a SALT Parity Act election must remit quarterly estimated payments if its net Colorado tax liability for the year will exceed \$5,000.

Partnerships and S corporations making estimated payments must remit payment with form DR 0106EP.

Modifications and Credits

Colorado modifications and credits are allocated to shareholders and partners pursuant to applicable state law. In general, modifications and credits are allocated to partners in accordance with their distributive share, or to shareholders in accordance with their pro rata share, of the item to which the modification relates. Advise each Colorado partner, shareholder or member of their share of the partnership or S corporation modifications and credits on the Colorado K-1 (form DR 0106K), a copy of which must also be filed with the Department. Partnerships and S corporations must also advise partners and shareholders of their share of any taxes paid by the entity to another state so they can compute the credit for tax paid to other state(s), and the related state income tax addback. Refer to Rules 39-22-104(3)(d) and 39-22-108 for more information. Detailed instructions regarding modifications and credits are provided with the Colorado K-1 (form DR 0106K).

Apportionment and Sourcing of Income

Partnerships and S corporations doing business in more than one state must apportion or source their income as described below. This ensures income is reported to the state in which the income is earned and taxable. See the Corporate Income Tax Guide for details regarding the following apportionment methods.

The partnership must compute each partner's or shareholder's share of income and other items that is attributable to Colorado and show the amount attributable to Colorado on the Colorado K-1 (DR 0106K).

Partnerships

The Colorado-source income resulting from partnership activity is generally determined pursuant to section 39-22-109, C.R.S. (Direct Sourcing), or, at the partnership's election, apportioned and allocated pursuant to section 39-22-303.6, C.R.S. (Receipts-Factor Apportionment). The ordinary income of a partnership will generally be sourced using receipts-factor apportionment even if the partnership does not elect to apportion and allocate all income using this method.

S Corporations

Section 39-22-321(1) and (2), C.R.S. requires S corporations to apportion and allocate income pursuant to section 39-22-303.6, C.R.S. (Receipts-Factor Apportionment).

Direct Sourcing

Each item of income, gain, loss, deduction, or credit is sourced separately to determine whether it is derived from sources within Colorado. In general, items are considered to be derived from sources within Colorado when they are attributable to:

- The ownership of any interest in real or tangible personal property in Colorado (see Rule 39-22-109(3)(a));
- A business, trade, profession, or occupation carried on in Colorado (see Rule 39-22-109(3)(b)); or

- Intangible property, including annuities, dividends, interest, and gains from the disposition of intangible property, to the extent such income is from property employed in a business, trade, profession, or occupation carried on in Colorado (see Rule 39-22-109(3)(e)).

Receipts-Factor Apportionment

Under formulary apportionment, income from business activity that is taxable both within and outside Colorado is apportioned and allocated in the same manner as the income of a C corporation. Apportionable income must be apportioned using the receipts factor. Nonapportionable income may either be directly allocated to the appropriate state or treated as apportionable income, subject to receipts-factor apportionment. Complete and include Part V with your return if you are sourcing income using receipts-factor apportionment. For more information on apportionment and allocation, refer to Part 6 of the Colorado Corporate Income Tax Guide.

Not Apportioning Income

If a partnership or S corporation has no income from business activity outside Colorado, then the partnership or S corporation will source 100% of its income to Colorado.

Specific Instructions

Information about the Partnership or S Corporation

If the partnership's or S corporation's tax year is not a calendar year, enter the start and end dates of the fiscal year.

If this filing amends a previously filed 2022 return, mark the amended return box. Enter the as amended values in the appropriate lines or fields. Complete all lines and fields even if the value is not changed from the original return. Submit all schedules and supporting documentation, including those schedules that are not being amended.

Enter the legal name, "doing business as" or trade name, and address of the partnership's or S corporation's principal offices.

Account Numbers

The Colorado Account Number (CAN) is 8 digits and must be listed in addition to the Federal Employer Identification Number (FEIN) on any form where requested. The CAN used on this form is usually the same number use on sales tax licenses and forms related to wage withholding.

Listed Transactions

A partnership or S corporation who is required to report a federal listed or reportable transaction, or a Colorado listed transaction, must mark the listed or reportable transaction box and attach IRS form 8886 or form DR 1831, as applicable. Refer to sections 39-22-651 through 659, C.R.S., and related rules, for further information.

Box A Legal Form

Mark the box that represents the true legal form of the partnership or S corporation filing this return.

Boxes B and C Depreciable Assets

Enter the beginning and ending depreciable assets from the federal return net of any accumulated depreciation. Refer to line 10b (columns (b) and (d)) of Schedule L of IRS form 1065 or 1120-S, as applicable.

Box D Principal Business Activity

Enter a short description of the partnership's or S corporation's principal business activity or profession including the principal product or service.

Box E Commencement Date

Enter the date the partnership was organized or the S corporation was incorporated, as applicable.

Box F Final Return

If this is the partnership's or S corporation's final Colorado income tax return, mark box F.

Box G Federal Changes

Mark this box G if, for any of the previous four tax years:

- The IRS made any adjustments to the partnership's or S corporation's federal income tax return, including any adjustments resulting from a waiver of restrictions on assessment and collection of deficiency, acceptance of overassessment, acceptance of an examining officer's findings, or otherwise; or
- The partnership or S corporation filed an amended federal return, a federal claim for refund, or a federal administrative adjustment request.

Explain the nature and date of the change in the space under this Box G.

Box H Number of Partners or Shareholders

Enter the number of partners or shareholders as of the end of the tax year.

Box I SALT Parity Act Election

Mark this box I to elect to be subject to tax at the entity level under the SALT Parity Act (section 39-22-343, C.R.S.). Mark this box I if the partnership or S corporation previously filed an election on form DR 1705. This election is binding for this tax year on all partners and shareholders, regardless of whether the partner is an individual, corporation, partnership, or other legal entity, and regardless of whether the partner or shareholder is a resident or nonresident. Complete Part III of this return. Do not complete Part II of this return. Mark the SALT Parity Election box on all Colorado K-1 forms (DR 0106K) and complete the forms accordingly.

Part I: Computation of Colorado Income

Line 1 Ordinary Income or (Loss)

Enter the ordinary income or (loss) from line 1 of federal Schedule K. 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).

Line 2 Other Income or (Loss)

Enter the total of all other income listed on federal Schedule K. For partnerships, this is the total of the amounts entered on lines 2, 3c, 4c, 5, 6a, 7, 8, 9a, 10 and 11 of federal Schedule K (IRS form 1065). For S corporations, this is the total of the amounts entered on lines 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 of federal Schedule K (IRS form 1120-S). Also include any gain from the sale of assets subject to section 179 of the Internal Revenue Code that is not reported on Schedule K. 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).

Line 3 Colorado Additions

To the extent excluded from federal taxable income on lines 1 and 2 of this form, enter the sum of the following Colorado additions on this line 3:

- Interest income (net of premium amortization) from state or municipal obligations subject to tax by Colorado. Do not include interest from obligations issued by the State of Colorado or a subdivision thereof.
- Expenses deducted 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 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.
- An amount equal to a federal deduction claimed for the income tax year for a food and beverage expense that exceeds 50% of the amount of the expense and that was allowed under section 274(n)(2)(D) of the Internal Revenue Code.
- For S corporations, 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.

Line 4 Subtotal

Sum of lines 1 through 3.

Line 5 Federal Deductions

Enter the allowable deductions from federal Schedule K. For partnerships, this is the total of lines 12, 13a, 13b, 13c(2), and 13d of federal Schedule K (IRS form 1065); and for S corporations, this is the total of lines 11, 12a, 12b, 12c(2), and 12d of federal Schedule K (IRS form 1120-S). Show the total deductions on this line 5 as a positive number.

Line 6 Colorado Marijuana Business Subtraction

For Colorado-licensed marijuana businesses, list 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.

To calculate this subtraction, you must create pro forma federal schedule(s) for Business Profit or Loss as if the federal government would have allowed the expenditures from the marijuana business. The Colorado subtraction is the difference between the profit/loss as calculated on the ACTUAL schedule(s) filed with the federal return and the pro forma schedule(s) described above. You must include the pro forma schedule(s), the MED license number and the actual federal schedule(s) with your Colorado return to claim this subtraction. Show the subtraction on this line 6 as a positive number.

Line 7 Other Colorado Subtractions

To the extent included in the federal taxable income on line 4 of this form, enter the sum of the following Colorado subtractions on this line 7:

- Any interest income earned on obligations of the United States government and any interest income earned on obligations of any authority, commission, or instrumentality of the United States to the extent such obligations are exempt from state tax under federal law.
- For partnerships, the modification for foreign source income of an export taxpayer. For purposes of this modification, an "export taxpayer" means:
 - 1.) any partnership which sells 50% or more of its products which are produced in Colorado in states other than Colorado, or in foreign countries; **or**
 - 2.) if the gross receipts of such partnership are derived from the performance of services, such services are performed in Colorado by a partner or employee of the partnership and 50% or more of such services provided by the partnership are sold or provided to persons outside of Colorado. If a partnership qualifies as an export taxpayer, it may exclude for Colorado income tax purposes any income or gain which constitutes foreign source income for federal income tax purposes.
- For S corporations, 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.

Show the total subtractions on this line 7 as a positive number.

Line 10 Colorado-Source Income**Partnerships**

- If the partnership has no income from business activity outside of Colorado, mark the box indicating that all income is Colorado income, and enter the amount from line 9 on this line 10.
- For a partnership with income from sources within and outside of Colorado, refer to the general instructions for Apportionment and Sourcing of Income to determine the proper sourcing method.
- If the partnership is making an election under section 39-22-203(1)(a) to apportion or allocate income pursuant to section 39-22-303.6, C.R.S., mark the Part V box and complete Part V of this form. Enter the result from line 14 of Part V of this form on this line 10.

- If the partnership is using direct sourcing, mark the Other box. Enter the total of the income attributable to Colorado as shown on the Colorado K-1 forms (DR 0106K) issued to partners (sum of column B, lines 1 through 12) on this line 10.

The partnership will not normally determine income from Colorado sources for any corporate partner as the corporation will include its share of the partnership's income and factors in its own income and factors subject to allocation and apportionment. Refer to lines 13 and 14 of the Colorado K-1 (DR 0106K) for more information.

S Corporations

- If the S corporation has no income from business activity outside of Colorado, mark the box indicating that all income is Colorado income, and enter the amount from line 9 on this line 10.
- For an S corporation with income from sources within and outside Colorado, mark the Part V box and complete Part V of this form. Enter the result from line 14 of Part V of this form on this line 10.

Part II: Composite Return

Complete lines 11 through 16 of this form only if a composite return is being filed for nonresident partners or shareholders. Do not complete this Part II if the partnership or S corporation is making a SALT Parity Act Election (see Box I).

Refer to the general instructions for nonresident partners and shareholders for more information about composite returns and other options.

Line 11 Colorado-source income

Enter the Colorado-source income of the nonresident partners or shareholders who are included in this composite return. This amount should be the sum of column B, lines 1-11 of the Colorado K-1 (DR 0106K) for all nonresident partners or shareholders included in this composite return. Do not include any resident partners or shareholders.

Line 12 Colorado Tax

Multiply the amount on line 11 by 4.4% (0.044) and enter the result on this line 12.

Line 13 Non-refundable Credits

Enter the non-refundable tax credits from the Colorado Pass-Through Entity Credit Schedule (DR 0106CR) line 27, Column C that are allocated to the nonresident partners or shareholders included in the composite return. Do not include any amounts from Column B on this line. You must submit the DR 0106CR with your return.

Line 14 Conservation Easement Credit

Enter the gross conservation easement credit available to the nonresident partners or shareholders included in the composite return from the DR 1305G line 33. You must submit the DR 1305G with your return.

Line 15 Net tax

Add lines 13 and 14, then subtract this sum from line 12.

The sum of 13 and 14 may not exceed the amount on line 12. Enter the result from this line 15 on line 21 of this form.

Line 16 Refundable Credits

Enter the refundable tax credits from the DR 0106CR line 33, Column C that are allocated to the nonresident partners or shareholders included in the composite return. Do not include any amounts from Column B on this line. You must submit the DR 0106CR with your return. Enter the amount from this line 16 on line 24 of this form.

Proceed to line 21.

Part III: SALT Parity Act Income Tax Return

Complete lines 17 through 20 only if the partnership or S corporation is making a SALT Parity Act election for this tax year. Refer to the general instructions regarding SALT Parity Act elections, and the instructions for Box I, for more information. If the partnership or S corporation is making a SALT Parity Act election, do not complete Part II of this form.

Line 17 Resident Income

Enter the total of all resident partners' or shareholders income. This amount should equal the sum of the amounts on lines 1 through 3 and lines 5 through 12 in column A of the Colorado K-1 for all resident partners or shareholders.

Line 18 Nonresident Income

Enter the total of all nonresident partners' or shareholders Colorado-source income. This amount should equal the sum of the amounts on lines 1 through 3 and lines 5 through 12 in column B of the Colorado K-1 for all nonresident partners or shareholders.

Line 19 Colorado Taxable Income

Add lines 17 and 18 and enter the sum on this line 19.

Line 20 Colorado Tax

Multiply line 19 by 4.4% (0.044) and enter the product on this line 20. Enter the result from this line 20 on line 21 of this form.

Part IV: Computation of Amount Owed or Overpayment

Line 21 Colorado Tax

Enter the amount from line 15 (Part II) or line 20 (Part III) of this form. There should not be amounts on both lines, as only Part II or Part III (but not both parts) should be completed.

Line 22 Prepayments

Carefully review payment records before completing this line. Use Revenue Online ([Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline)) to verify estimated taxes paid on the account. Doing so will reduce processing delays. Enter the amount of credit for prepayments. Include the sum of the following on this line 22:

- Estimated tax payments for 2022; and
- Any overpayment from 2021 that was carried forward to 2022; and
- Extension payment(s) remitted with the DR 0158-N; and
- Payments remitted with the DR 1079 to satisfy withholding requirements for the sale of Colorado real

estate that closed during the tax year for which you are filing this return. You must submit the DR 1079 with your return.

Line 23 Gambling Withholding

Enter the total of any Colorado withholdings reported on Form W-2G made on lottery or gambling winnings. This will not apply to most taxpayers. You must submit the W-2G(s) with your return.

Line 24 Refundable Credits

Enter the amount from line 16 in Part II of this form on this line 24. If Part II was not completed, enter 0 (zero) on this line 24.

Line 26 Delinquent Payment Penalty

If 90% of the tax is not paid by the original due date (without extension), you must add a delinquent payment penalty. The penalty is the greater of \$5 or 5% of the additional tax due for the first month of delinquency and 0.5% for each additional month up to a maximum of 12%. A delinquent payment penalty will also apply if the remaining tax due is not paid by the extension due date.

Line 27 Interest

Interest is due on any unpaid tax balance paid after the original due date (without extension). Refer to Penalties and Interest (FYI General 11) for an explanation on the calculation of interest.

Line 28 Estimated Tax Penalty

The estimated tax penalty is computed for each partner or shareholder on form DR 0204. This penalty applies only when the tax due for a partner or shareholder included in the composite filing is more than \$1,000, and estimated payments were not made in a timely manner. If this penalty is due, you must submit form DR 0204 for each partner or shareholder who owes the penalty and include the total penalty for all partners or shareholders on this line 28. If estimated tax penalty on this line 28 exceeds the Department's calculations, any amount of overpayment of penalty will be refunded to you.

Line 29 Balance Due

If line 21 is greater than line 25, subtract line 25 from line 21 and add any penalty or interest due from lines 26, 27, and 28. This is the amount due.

Line 30 Overpayment Amount

If line 25 is greater than line 21, subtract line 21 from line 25. This is the overpayment amount.

Line 31 Estimated Tax Credit

Enter the amount from line 30 you want to credit to next year's estimated tax.

Line 32 Refund Amount

Subtract line 31 from 30 to calculate the amount of your refund.

Direct Deposit – You have the option of authorizing the Department to directly deposit these funds into your bank account. Otherwise, a refund check will be mailed to the address you have designated on this return.

Enter the routing and account numbers and account type. The routing number is 9 digits. Account numbers

can be up to 17 characters (numbers and/or letters). Include hyphens, but do NOT enter spaces or special symbols. We recommend that you contact your financial institution to ensure you are using the correct information and that they will honor a direct deposit.

Intercepted Refunds – The Department will intercept your refund if you owe back taxes or if you owe a balance to another Colorado government agency or the IRS.

Paid Preparer Authorization

Mark the "Yes" box to appoint the paid preparer entered on the return as the designee to receive and inspect confidential tax information related to this tax return. If a firm or organization is listed, this tax information authorization will apply to any of its employees.

A designee may:

- Call for information about the return, including processing time and refund status;
- Request copies of notices, bills or transcripts related to the return; *and*
- Respond to inquiries regarding calculations and supporting documentation for the return.

However, a designee cannot sign any form or protest, request any other change to the account, receive any refund, or otherwise represent or act on behalf of the taxpayer with the Colorado Department of Revenue.

This authorization expires four years after the date the return is signed. A taxpayer may change or revoke it, or an appointee may withdraw from it. For more information, see the instructions for form DR 0145, Tax Information Authorization or Power of Attorney.

Signature and Mailing

The law requires the return to be signed under penalty of perjury. Any partner may sign a return for a partnership. Persons authorized to sign a return for an S corporation must either be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other officer that is duly authorized to act on behalf of the corporation. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns.

If the return was prepared by a paid preparer, enter the preparer's name and phone number.

To file this return WITH a check or payment, mail the return and payment to:

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

To file this return WITHOUT a check or payment, mail the return to:

**Colorado Department of Revenue
Denver CO, 80261-0005**



220158-N19999

2022 Automatic Filing Extension for Composite Nonresident Income Tax Return

**Filing extensions are granted automatically.
Return this form only if you need to make an additional payment of tax.**

Colorado income tax returns are due the fifteenth day of the fourth month after the end of your tax year, or by April 15 for traditional calendar year filers. If you are unable to file by your prescribed due date, you may file under extension. This will allow you an additional six months to file your return, or until October 15 for traditional calendar year filers. If the due date falls on a weekend or federal holiday, payment will be due the next business day. While there is an extension to file, there is not an extension to the payment due date. Penalty and interest are assessed if certain payment criteria are not met. Please review FYI General 11 for more information on penalty and interest.

Pay Online

Visit [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline) to pay online. Online payments reduce errors and provide instant payment confirmation. Revenue Online also allows users to submit various forms and to monitor their tax account. Electronic

Funds Transfer (EFT) Debit and Credit options are free services offered by the department. EFT services require pre-registration before payments can be made. Visit [Tax.Colorado.gov/electronic-funds-transfer](https://tax.colorado.gov/electronic-funds-transfer) for more information.

The DR 0158-N is not required to be sent if an online payment is made. Please be advised that a nominal processing fee may apply to e-check or credit card payments.

Pass-Through Entities

Use this form only if the entity intends to file a composite return and claim the extension payment against the tax reported on the composite return. Payments made using the DR 0158-N for the composite entity cannot be distributed to or claimed on individual partner or shareholder returns.

DR 0158-N			
For the calendar year 2022 or the fiscal year			
Fiscal Year Beginning (MM/DD/22)		Fiscal Year Ending (MM/DD/YY)	
Return this form 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 Federal Employer Identification Number and "2022 DR 0158-N" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this form.			
FEIN		Colorado Account Number	
Business Name			
Address			
City		State	ZIP
			Amount of Payment
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.			\$

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



220106 19999

2022 Colorado Partnership and S Corporation and Composite Nonresident Income Tax Return

Form with fields for Fiscal Year Beginning/Ending, Name of Organization, Colorado Account Number, Doing Business As, Federal Employer ID Number, Address, City, State, ZIP, and various checkboxes for filing type and adjustments.

Table for Part I: Computation of Colorado Income. Columns include description, amount, and rounded amount. Rows include Ordinary income, Sum of all other income, Modifications increasing federal income, Sum of lines 1 through 3, Allowable deductions, Colorado Marijuana Business Deduction, Other modifications decreasing federal income, and Sum of lines 5 through 7.



220106 29999

Name	Account Number
9. Modified federal taxable income, subtract line 8 from line 4	9 00
10. Colorado-Source Income from (mark one): <input type="checkbox"/> Part V <input type="checkbox"/> Other (include explanation) <input type="checkbox"/> Income is all Colorado Income	 • 10 00
Part II: Composite Nonresident Income Tax Return	
Do not complete lines 11-16 unless you are filing a composite nonresident return.	
11. Colorado-source income of nonresident partners or shareholders electing to be included in this composite filing.	• 11 00
12. Tax; 4.4% of the amount on line 11	• 12 00
13. Non-refundable credits from the DR 0106CR line 27 column C, you must include the DR 0106CR with your return.	• 13 00
14. Gross Conservation Easement credit allocated to these partners or shareholders from the DR 1305G line 33. You must submit the DR 1305G with your return.	• 14 00
15. Net tax, sum of lines 13 and 14, then subtract this sum from line 12. The sum of lines 13 and 14 may not exceed the amount on line 12.	15 00
16. Refundable credits from the DR 0106CR line 33 column C, you must include the DR 0106CR with your return.	• 16 00
Part III: SALT Parity Act Income Tax Return	
Do not complete lines 17-20 unless you are filing a return for a pass-through entity making the election under the SALT Parity Act.	
17. Resident partners' or shareholders' total share of income	• 17 00
18. Colorado-source income of nonresident partners or shareholders	• 18 00
19. Colorado taxable income of pass-through entity, sum of lines 17 and 18	19 00
20. Net Tax; 4.4% of the amount on line 19.	• 20 00
Part IV: Computation of Amount Owed and Overpayment	
21. Enter the amount from line 15 or line 20, whichever applies	21 00
22. Estimated tax, extension payments, and credits	• 22 00
23. Withholding from lottery or gambling winnings.	• 23 00
24. Refundable credits from line 16	• 24 00
25. Subtotal; sum of lines 22, 23, and 24	25 00
26. Penalty (include on line 29)	• 26 00
27. Interest (include on line 29)	• 27 00
28. Estimated tax penalty (include on line 29)	• 28 00
29. If line 21 is greater than line 25, enter amount owed	• 29 00



220106 39999

Name	Account Number

30. Overpayment, subtract line 21 from line 25	30	00
31. Overpayment to be credited to 2023 estimated tax	• 31	00
32. Overpayment to be refunded	• 32	00

I declare this return to be true, correct and complete under penalty of perjury in the second degree. Declaration of preparer is based on all information of which preparer has any knowledge.

Direct Deposit

Routing Number

Type: Checking Savings

Account Number

Do you want to allow the paid preparer entered below to discuss this return and any related information with the Colorado Department of Revenue? See the instructions. Yes No

Signature of partner or signature and title of officer	Date (MM/DD/YY)
Person or firm preparing return (name and phone number)	Date (MM/DD/YY)

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.

File and pay at: [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline)

<p>If you are filing this return with a check or payment, please mail the return to:</p> <p>COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0006</p>	<p>If you are filing this return without a check or payment, please mail the return to:</p> <p>COLORADO DEPARTMENT OF REVENUE Denver, CO 80261-0005</p>
<p>These addresses and ZIP codes are exclusive to the Colorado Department of Revenue, so a street address is not required.</p>	



220106 49999

Name	Account Number

Part V— Apportionable Income Apportioned to Colorado by use of the Receipts Factor

Do not send federal return forms or schedules with this return. Complete this form in accordance with section 39-22-303.6 C.R.S., and the regulations thereunder.

1. Total modified federal taxable income from the DR 0106, Part I, line 9	1	00
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Apportionable Income Apportioned to Colorado by use of the Receipts Factor

Do Not Include Foreign-source income modified out on the DR 0106, Part I, Line 7

	• Colorado	• Everywhere
2. Gross receipts from the sale of tangible personal property • 2	00	00
3. Gross receipts from the sale of services • 3	00	00
4. Gross receipts from the sale, rental, lease, or license of real property • 4	00	00
5. Gross receipts from the rental, lease, or license of tangible personal property • 5	00	00
6. Gross receipts from the sale, rental, lease, or license of intangible property • 6	00	00
7. Distributive share of partnership factors • 7	00	00
8. Total receipts (total of lines 2 through 7 in each column) • 8	00	00
9. Line 8 (Colorado) divided by line 8 (Everywhere)	9	%

Complete lines 10 and 13 only if nonapportionable income is being directly allocated.

If all income is being treated as apportionable income, enter 0 (zero) on lines 10 and 13.

10. Less income directly allocable to any state, including Colorado:		
(a) Net rents and royalties from real or tangible property •		00
(b) Capital gains and losses •		00
(c) Interest and dividends •		00
(d) Patents and copyright royalties •		00
(e) Other nonapportionable income •		00
(f) Total income directly allocable [add lines (a) through (e)]	10	00
11. Modified federal taxable income subject to apportionment, subtract line 10(f) from line 1	11	00
12. Income apportioned to Colorado, line 9 multiplied by line 11	12	00



220106 59999

Name		Account Number	
13. Add income directly allocable to Colorado:			
(a) Net rents and royalties from real or tangible property	•	00	
(b) Capital gains and losses	•	00	
(c) Interest and dividends	•	00	
(d) Patents and copyright royalties	•	00	
(e) Other nonapportionable income	•	00	
(f) Total income directly allocable [add lines (a) through (e)]		13	00
14. Total income apportioned and allocated to Colorado, sum of lines 12 and 13(f). Enter here and on the DR 0106, Part I, line 10		14	00
15. <input type="checkbox"/> Pursuant to §39-22-303.6(8) C.R.S. , taxpayer elects to treat all income as apportionable income for the tax year covered by this return.			

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 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 2022 are due on April 15, 2023. If the due date falls on a weekend or federal 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). 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 the partnership's income tax return.

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 Department publication Income Tax Topic:

Part-Year Residents & Nonresidents 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.

Nonresident Partners

If the partnership did not make a SALT Parity Act election and the partner is a nonresident of Colorado, check the applicable box to indicate whether the partnership is, with respect to the nonresident partner, filing a composite return, filing a DR 0107, or remitting payment with a DR 0108.

- **Composite Return** – A partnership may file a composite return on behalf of one or more of its nonresident partners, reporting and remitting the Colorado income tax due on the Colorado-source income of the nonresident partner(s) included in the composite return. If the nonresident partner has no other Colorado-source income, the composite return satisfies their Colorado income tax filing obligation for the tax year.
- **DR 0107** – A nonresident partner may complete and sign form DR 0107 thereby agreeing to file a Colorado income tax return, make timely payment of the tax due, and be subject to personal jurisdiction in Colorado for the purpose of income tax collection. The partnership must submit a copy of the signed form DR 0107 with its return (form DR 0106).

- **DR 0108** – If a nonresident partner is not included in a composite return filed by the partnership and has not completed and signed form DR 0107, the partnership must, with form DR 0108, remit payment of the Colorado income tax due on the nonresident partner's Colorado source income. The nonresident partner may claim credit on their Colorado income tax return for the payment remitted on their behalf by the partnership.

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 the portion of each listed item attributed 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 11 in Column A the income and deduction information about the partner's share of income and deductions 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 11, 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
11. Federal deductions	Sum of Boxes 12 and 13

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 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 11 in Column B the portions of the 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 also 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 deducted by the partnership on line 14 of IRS Form 1065 for the tax year, 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 deducted by the partnership on line 14 of IRS Form 1065 for the tax year.

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. Other Colorado additions

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

Enter on line 10 in Column A the partner's distributive share of any required Colorado additions.

Include on line 10 the partner's distributive share of any addition required for non-Colorado state or local bond interest. A partner's distributive share of state and local bond interest is generally included in the amount reported in box 18 of the partner's Schedule K-1 (IRS Form 1065). 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.

Include on line 10 the partner's distributive share of following additions. 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 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 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; and
- An amount equal to a federal deduction claimed for the income tax year for a food and beverage expense that exceeds 50% of the amount of the expense and that was allowed under section 274(n)(2)(D) of the Internal Revenue Code.

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

Enter on line 10 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 10 in Column B the full amount of any of the following additions entered in Column A:

- Business expenses deducted 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 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.

Include on line 10 in Column B the amount of the following addition entered in Column A to the extent that the underlying or related expenses were from business activity in Colorado:

- An amount equal to a federal deduction claimed for the income tax year for a food and beverage expense that exceeds 50% of the amount of the expense and that was allowed under section 274(n)(2)(D) of the Internal Revenue Code.

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 12. Colorado subtractions

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

Enter on line 12 in Column A the partner's distributive share of any allowable Colorado subtractions. Enter subtractions on line 12 as a negative amount.

Include on line 12 the partner's distributive share of any interest income on obligations of the United States

and its possessions. A partner's distributive share of U.S. government interest is generally included in the amount reported in box 5 of the partner's Schedule K-1 (IRS Form 1065).

Include on line 12 the partner's distributive share of following subtractions, 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 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 12 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 12 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;

Include on line 12 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 13 and 14. Partner's Share of Total Receipts and Non-Apportionable Income

Lines 13 and 14 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 13 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 13 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 14 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 14 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 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 15. Partner's or shareholder's share of tax paid with SALT Parity 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, enter on line 15 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 12 in Column A, multiply the sum by 4.4% (0.044), and enter the result on line 15. If the sum of the amounts on lines 1 through 3 and lines 5 through 12 is a negative amount, enter 0 (zero) on line 15.
- In the case of a nonresident partner, sum the amounts on lines 1 through 3 and lines 5 through 12 in Column B, multiply the sum by 4.4% (0.044), and enter the result on line 15. If the sum of the amounts on lines 1 through 3 and lines 5 through 12 is a negative amount, enter 0 (zero) on line 15.

Do not enter on line 15 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 making the SALT parity election.

Partner's or Shareholder's Share of Credits

Enter on lines 16 through 33 the partner's distributive share of any credits allowed to the partnership for the tax year. Do not include any credits allowed in prior tax years.

Line 16. 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 17. Business Personal Property credit

Please see section 39-22-537.5, C.R.S., for information about the business personal property tax credit.

Line 18. Child care center family care home investment credit

For information about the credit, please see FYI Income 7, available online at Tax.Colorado.gov/individual-income-tax-guidance-publications.

Line 19. Child care contribution credit

For information about the child care contribution credit, please see FYI Income 35, available online at tax.Colorado.gov/individual-income-tax-guidance-publications.

Line 20. 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 21. 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](https://OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit-and-historycolorado.org/preservation-tax-credits).

Line 22. 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 22 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 through 32. Enterprise Zone Tax Credits

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

Line 33. Other Credits

Please visit Tax.Colorado.gov/individual-income-tax-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 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 2022 are due on April 15, 2023. If the due date falls on a weekend or federal 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). 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 the S corporation's income tax return.

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 Income Tax Topic: Part-Year Residents & Nonresidents 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 S corporation did not make a SALT Parity Act election, and the shareholder is a nonresident of Colorado, check the applicable box to indicate whether the S corporation is, with respect to the nonresident shareholder, filing a composite return, filing a DR 0107, or remitting payment with a DR 0108.

- **Composite Return** – An S corporation may file a composite return on behalf of one or more of its nonresident shareholders, reporting and remitting the Colorado income tax due on the Colorado-source income of the nonresident shareholder(s) included in the composite return. If the nonresident shareholder has no other Colorado-source income, the composite return satisfies their Colorado income tax filing obligation for the tax year.
- **DR 0107** – A nonresident shareholder may complete and sign form DR 0107 thereby agreeing to file a Colorado income tax return, make timely payment of the tax due, and be subject to personal jurisdiction in Colorado for the purpose of income tax collection. The S corporation must submit a copy of the signed form DR 0107 with its return (form DR 0106).
- **DR 0108** – If a nonresident shareholder is not included in a composite return filed by the S corporation and has not completed and signed form DR 0107, the S corporation must, with form DR 0108, remit payment of the Colorado income tax due on the nonresident shareholder's Colorado source income. The nonresident shareholder may claim credit on their Colorado income tax return for the payment remitted on their behalf by the S corporation.

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 the portion of each listed item attributed 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 11 in Column A the income and deduction information about the shareholder's share of income and deductions 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 11, 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
11. Federal deductions	Boxes 11 and 12

Enter on lines 1 through 8 and line 11 in Column B the portions of the 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 deducted by the S corporation on line 12 of IRS Form 1120-S for the tax year, 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 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.

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. Other Colorado additions

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

Enter on line 10 in Column A the shareholder's pro rata share of any required Colorado additions.

Include on line 10 the shareholder's pro rata share of any addition required for non-Colorado state or local bond interest. A shareholder's pro rata share of state and local bond interest is generally included in the amount reported in box 16 of the shareholder's Schedule K-1 (IRS Form 1120-S). 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.

Include on line 10 the shareholder's pro rata share of the following additions. 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 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 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; and

- An amount equal to a federal deduction claimed for the income tax year for a food and beverage expense that exceeds 50% of the amount of the expense and that was allowed under section 274(n)(2)(D) of the Internal Revenue Code.

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

Enter on line 10 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 10 in Column B the full amount of any of the following additions entered on line 10 in the in Column A:

- Business expenses deducted 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 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.

Include on line 10 in Column B the amount of the following addition entered in Column A to the extent that the underlying or related expenses were from business activity in Colorado:

- An amount equal to a federal deduction claimed for the income tax year for a food and beverage expense that exceeds 50% of the amount of the expense and that was allowed under section 274(n)(2)(D) 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 additions.

Line 12. Colorado subtractions

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

Enter on line 12 in Column A the shareholder's pro rata share of any allowable Colorado subtractions. Enter subtractions on line 12 as a negative amount.

Include on line 12 the shareholder's pro rata share of any interest income on obligations of the United States and its possessions. A shareholder's pro rata share of U.S. government interest is generally included in the amount reported in box 4 of the shareholder's Schedule K-1 (IRS Form 1120-S).

Include on line 12 the shareholder's pro rata share of following subtractions. 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;

- 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 12 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 12 in Column B the full amount of any of the following subtraction entered on line 12 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.

Include on line 12 in Column B the amount of the following subtraction entered on line 12 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 12 in Column B the amount of the following subtraction entered on line 12 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 13 and 14. Partner's Share of Total Receipts and Non-Apportionable Income

The completion of lines 13 and 14 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.

Enter on line 13 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 13 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.

Enter on line 14 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 14 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 15. Partner's or shareholder's share of tax paid with SALT Parity 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, enter on line 15 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 12 in Column A, multiply the sum by 4.4% (0.044), and enter the result on line 15. If the sum of the amounts on lines 1 through 12 is a negative amount, enter 0 (zero) on line 15.
- In the case of a nonresident shareholder, sum the amounts on lines 1 through 12 in Column B, multiply the sum by 4.4% (0.044), and enter the result on line 15. If the sum of the amounts on lines 1 through 12 is a negative amount, enter 0 (zero) on line 15.

Do not enter on line 15 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 making the SALT parity election.

Partner's or Shareholder's Share of Credits

Enter on lines 16 through 33 the shareholder's pro rata share of any credits allowed to the S corporation for the tax year. Do not include any credits allowed in prior tax years.

Line 16. 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 17. Business Personal Property credit

Please see section 39-22-537.5, C.R.S., for information about the business personal property tax credit.

Line 18. Child care center family care home investment credit

For information about the credit, please see *FYI Income 7*, available online at Tax.Colorado.gov/individual-income-tax-guidance-publications.

Line 19. Child care contribution credit

For information about the child care contribution credit, please see *FYI Income 35*, available online at tax.Colorado.gov/individual-income-tax-guidance-publications.

Line 20. 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 21. 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 22. 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 22 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 through 32. Enterprise Zone Tax Credits

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

Line 33. Other Credits

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



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2022 Colorado K-1

● Fiscal Year Beginning (MM/DD/22)		● 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 Included <input type="checkbox"/> DR 0108 Filed <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. Other Colorado additions ● 10		00	00
11. Federal deductions ● 11		00	00
12. Colorado subtractions ● 12		00	00
13. Partner's share of total receipts from line 8 of the DR 0106, part V. ● 13		00	00
14. Partner's share of non-apportionable income from the DR 0106, part V. ● 14		00	00
15. Partner's or shareholder's share of tax paid with SALT Parity election ● 15			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	Amount
16. Advanced Industry Investment credit ● 16	00
17. Business Personal Property credit ● 17	00
18. Child care center family care home investment credit ● 18	00
19. Child care contribution credit ● 19	00
20. Colorado job growth incentive credit ● 20	00
21. Preservation of Historic Structures credit ● 21	00
22. SALT Parity credit from lower-tier partnership (see instructions) ● 22	00
23. Enterprise zone agricultural processing new employee credit ● 23	00
24. Enterprise zone commercial vehicle investment tax credit ● 24	00
25. Enterprise zone contribution credit ● 25	00
26. Enterprise zone employee health insurance credit ● 26	00
27. Enterprise zone enhanced rural agricultural processing new employee credit ● 27	00
28. Enterprise zone enhanced rural new employee credit ● 28	00
29. Enterprise zone investment tax credit ● 29	00
30. Enterprise zone job training investment tax credit ● 30	00
31. Enterprise zone research and experimental activities credit ● 31	00
32. Enterprise zone vacant commercial building rehabilitation credit ● 32	00
33. Other Credits, explain below: ● 33	00

Explain



Colorado Pass-Through Entity Credit Schedule (DR 0106CR) Instructions

General Instructions

In general, Colorado credits are passed through from partnerships and S corporations to the partners or shareholders. Credits from partnerships are generally passed through to partners according to each partner's distributive share. Credits from S corporations are generally passed through according to each shareholder's pro rata share. Each partner's or shareholder's share of any credits earned must be reported by the partnership or S corporation on the Colorado K-1 (form DR 0106K).

Some credits may be claimed only by individuals, estates or trusts where others may be claimed only by C corporations. Other credits may be available to all taxpayers. Credits allocated to some partners or shareholders cannot be redistributed to other partners or shareholders. For example, if a partnership consisted of a C corporation and an individual, the individual partner's share of the partnership's new investment tax credit could not be claimed by the corporation even though the individual partner is not allowed to use it.

In addition to this form DR 0106CR, certain credits require additional forms or schedules to be completed and submitted with the partnership's or S corporation's Colorado income tax return. Certain credits also require supporting documentation to be submitted with the return. Review these instructions carefully for additional details. Partnerships and S corporations must maintain adequate books and records documenting the amount of and eligibility for any credit claimed and make such records available to the Department upon request.

Referenced guidance publications may be found at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

Columns A, B, and C

Each credit requires the partnership or S corporation to compute three amounts. In column A, list the gross amount credit available resulting from the partnership's or S corporation's activity during the tax year. Unless the partnership or S corporation is filing a composite return on behalf of nonresident partners or shareholders, the amount listed in column A must be listed in column B. Enter 0 (zero) in column C. This procedure applies to partnerships and S corporations making an election under the SALT Parity Act. Refer to the general instructions for form DR 0106 for more information on nonresident partners and shareholders and elections under the SALT Parity Act.

If the partnership or S corporation is making a composite return on behalf of at least some nonresident partners or shareholders (see Part II of form DR 0106), the amount in column A must be allocated between columns B and C. In column B, enter the total amount of the credit allocated

to partners or shareholders not included in the composite filing. This includes:

- Nonresident partners or shareholders from whom the partnership or S corporation obtained a Colorado Nonresident Partner or Shareholder Agreement (form DR 0107);
- Nonresident partners or shareholders for whom the partnership or S corporation is remitting a payment with form DR 0108; and
- Any resident partners or shareholders.

In column C, enter the total amount of the credit allocated to nonresident partners or shareholders included in the composite return.

Specific Instructions

Name and Colorado Account Number

Enter the legal name of the partnership or S corporation. The Colorado Account Number (CAN) is 8 digits and is usually the same number use on sales tax licenses and forms related to wage withholding. The organization's name and CAN must match the name used on the organization's main return form (DR 0106) and must appear at the top of each page of this schedule.

Credit For Tax Paid to Other States

A partner or shareholder who is a Colorado resident individual may claim credit for their share of any net income tax imposed upon and paid to another state by the partnership or S corporation. This credit is allowed even if the imposition upon the partnership or S corporation was at the partnership's or S corporation's election. Complete lines 1 through 3 on a separate DR 0106CR for each state to which tax was paid. Advise each Colorado resident individual partner or shareholder their share of income from sources in the other state(s) and of the tax paid by the partnership or S corporation to that state if those amounts are not already reported on the other state's K-1 equivalent form.

Line 1 State Name

Enter the name of the state, territory, or possession, including the District of Columbia, to whom the taxes were paid.

Line 2 Total Income Sourced to State

Enter the total amount of income sourced to the state listed on line 1. In determining whether income is derived from sources within such other state, Colorado law governs the sourcing of income.

Line 3 Tax Liability

Enter the actual net income tax liability as calculated on the other state's income tax return. Do not enter the sum of estimated payments or other payments.

Attach additional copies of page 1 of this form DR 0106CR completing lines 1 through 3 for additional states.

Nonrefundable Credits

Line 4 New Investment Tax Credit

A C corporation is allowed a credit generally equal to 1% of the qualified investment in tangible personal property used in a trade or business in Colorado. This credit may be claimed only by C corporations who are partners of the partnership in accordance with their distributive share. For additional information, refer to the *Corporate Income Tax Guide*.

Line 5 Old Investment Tax Credit

A C corporation is allowed a credit generally equal to 10% of the tentative current year federal internal revenue code section 46 credit on assets located in Colorado. and may be claimed only by C corporations. This credit may be claimed only by C corporations who are partners of the partnership in accordance with their distributive share. For additional information, refer to the *Corporate Income Tax Guide*.

Line 7 Child Care Contribution Credit

To claim the child care contribution credit, the partnership or S corporation must obtain a Child Care Contribution Tax Credit Certification (DR 1317) from the organization receiving the contribution and submit it with this schedule. For more information regarding the child care contribution credit, refer to publication *FYI Income 35*.

Lines 8 and 9 Child Care Investment Credits

Submit a copy of the facility license issued by the Department of Early Childhood (formerly by the Department of Human Services) and a list of depreciable tangible personal property for which the credit is being claimed. For more information on these credits, refer to publication *FYI Income 7*.

Line 10 School-to-Career Investment Credit

Submit a copy of the letter from the certifying organization. For more information, refer to publication *FYI Income 32*.

Line 11 Colorado Works Program Credit

Submit a copy of the letter from the county human services department. For more information, refer to publication *FYI Income 34*.

Line 12 Remediation of Contaminated Land Credit

Complete and submit the Remediation of Contaminated Land Credit Pass-Through Schedule (DR 0348P) along with a copy of the credit certificate issued by the Department of Public Health and Environment. If the amounts allocated to nonresident partners or shareholders will be claimed on a composite return, complete and file the Remediation of Contaminated Land Credit Use Schedule (DR 0349) in addition to the DR 0348P. If part of the credit is transferred, complete and file the Remediation of Contaminate Land Transfer Schedule (DR 0348T).

Line 14 Colorado Job Growth Incentive Tax Credit

Submit the certificate issued by the Economic Development Commission. Information regarding the credit is available at OEDIT.Colorado.gov/job-growth-incentive-tax-credit.

Line 15 Advanced Industries Credit

Submit the certificate issued by the Economic Development Commission. Information regarding the credit is available at OEDIT.Colorado.gov/advanced-industries-investment-tax-credit.

Line 17 Non-refundable Enterprise Zone Credits

Complete the Enterprise Zone Credit and Carryforward Schedule (DR 1366) and enter the amount from line 85 on this line 17. Submit form DR 1366, and any required certificates, with this schedule. **Partnerships and S corporations that are claiming enterprise zone program credits are encouraged to file electronically to avoid processing delays.** For more information, refer to the *Enterprise Zone Tax Guide*.

Line 18 Affordable Housing Credit

Submit a copy of the certificate issued by the Colorado Housing Finance Authority.

Lines 21 and 22 Preservation of Historic Structures Credit

Enter the amount and allocation of the credit on line 21. Enter the number of the certificate issued by the Office of Economic Development and International Trade (or local granting authority) on line 22 and submit a copy with this schedule. For more information, refer to OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit and historycolorado.org/preservation-tax-credits.

Line 23 Rural Jump-Start Zone Credit

Complete and submit the Rural Jump-Start Zone Credit Schedule (DR 0113) along with the credit certificate issued by the Office of Economic Development and International Trade. Information regarding the Rural Jump-Start Zone program is available at OEDIT.Colorado.gov/rural-jump-start-program.

Line 24 Strategic Capital Tax Credit

Complete the Strategic Capital Tax Credit and Carry Forward Schedule (DR 1330), and enter the amount from that form on this line 24. Submit the DR 1330 with this schedule.

Line 25 Employer Contribution to Employee 529 Plan

Complete the Employer Contributions to Employee 529 Qualified State Tuition Program form (DR 0289), and enter the amount from that form on this line 25. Submit the DR 0289 with this schedule.

Line 26 Credit for Employer Paid Leave of Absence for Live Organ Donation

An income tax credit is available for employers who incurred expenses during the tax year by paying an employee during his or her leave of absence period (not to exceed ten working days or the hourly equivalent of ten working days per employee) for live organ donation and for the cost of temporary replacement help, if any, during an employee's leave of absence period. The amount of credit allowed is 35% of eligible expenses, as defined in section 39-22-540, C.R.S. A partnership or S corporation may not claim a tax credit related to a leave of absence period for an employee who was paid \$80,000 or more in wages during the income tax year. Complete the Credit for Employer Paid Leave of Absence for Live Organ Donation (DR 0375), and enter the amount from that form on this line 26. Submit the DR 0375 with this schedule.

Line 27 Total Nonrefundable Credits

Sum lines 4 through 26 for columns A, B, and C and enter the totals on this line 27. Enter the amount, if any, in column C of this line 27 on line 13 of form DR 0106.

Refundable Credits

Line 28 Business Personal Property Credit

Partnerships and S corporations are allowed an income tax credit for business personal property taxes paid. The credit is limited to the tax paid in 2022 on the first \$18,000 of the actual value of the partnership's or S corporation's personal property. The credit is not allowed with respect to taxes paid on real property. The credit is only for business personal property in Colorado. Calculate the amount of the credit as follows:

Locate the actual value of the business personal property on the property tax statement(s) for taxes paid in 2022. If the property tax statement does not list the actual value, calculate it by dividing the assessed value by 0.29.

$$\text{Actual Value} = \text{Assessed Value} / 0.29.$$

If the actual value of the partnership's or S corporation's business personal property is less than \$18,000, the credit is allowed for the total amount of the personal property tax paid in 2022. Enter the amount of property tax paid from the property tax statement on this line 28. Do not include any delinquent tax from prior years paid in 2022.

If the actual value of the partnership's or S corporation's business personal property is more than \$18,000, you will need to prorate the tax assessment using the following formula:

$$\frac{18,000}{\text{actual value}} * \text{assessment} = \text{allowable credit}$$

For example, if the tax assessment was \$2,000 for personal property tax, but the actual value was \$25,000, the maximum credit would be \$1,440 (72% of the tax assessed or $(\$18,000/\$25,000)*\$2,000$). Do not include any delinquent tax from prior years paid in 2022 in the tax assessment amount used in the formula.

You must include a copy of your property tax statement for property tax paid in 2022 with this schedule.

Line 29 Innovative Motor Vehicle and Innovative Truck Credits

Complete and submit the Innovative Motor Vehicle Credit and Innovative Truck Credit form (DR 0617) for each qualifying vehicle along with the required documentation. This line 29 is the sum of the credits claimed on line 8 of the DR 0617 forms submitted with this schedule. If the credit was assigned to the partnership or S corporation, submit also the Innovative Motor Vehicle Credit Election Statement (DR 0618) executed at the time of the sale with

this schedule. For more information, refer to *FYI Income 69* and *FYI Income 70*.

Line 30 Refundable Enterprise Zone Credits

Complete the Enterprise Zone Credit and Carryforward Schedule (DR 1366) and enter the amount from line 86 on this line 17. Submit form DR 1366, and any required certificates, with this schedule. **Partnerships and S corporations that are claiming enterprise zone program credits are encouraged to file electronically to avoid processing delays.** For more information, refer to the *Enterprise Zone Tax Guide*.

Line 31 Employee Ownership Conversion Credit

Submit the credit certificate obtained from the Office of Economic Development and International Trade. Information regarding the Employee Ownership Conversion Credit is available at OEDIT.Colorado.gov/employee-ownership-tax-credit.

Line 32 Electing Pass-Through Entity Owner (SALT Parity Act) Credit

If this partnership or S corporation is itself a partner in another partnership (the "lower-tier partnership"), and the lower-tier partnership makes an election under the SALT Parity Act, and pays Colorado income tax, the credit allowed to this partnership or S corporation under section 39-22-347, C.R.S., is reported on this line 32. The lower-tier partnership will list the amount of tax paid on line 15 of the Colorado K-1 (DR 0106K) it issued to this partnership or S corporation.

If the lower-tier partnership was allocated similar credit from yet another partnership (regardless of whether it made an election), it will report that amount on line 22 of the Colorado K-1 issued to this partnership or S corporation. This line 32 will be the total of the amounts listed on lines 15 and 22 of any Colorado K-1 received from lower-tier partnerships. Include copies of those Colorado K-1 forms with this schedule. Do not include copies of Colorado K-1 forms issued by this partnership or S corporation to its partners or shareholders (refer to the instructions for form DR 0106K for submission instructions).

The credit on this line 32 is allocated to partners and shareholders of this partnership in accordance with their distributive or pro rata shares. Report the allocation of this line 32 to partners and shareholders on line 22 of the Colorado K-1. Do not report any amounts from this line 32 on line 15 of the Colorado K-1.

Line 33 Total Refundable Credits

Sum lines 28 through 32 for columns A, B, and C and enter the totals on this line 33. Enter the amount, if any, in column C of this line 33 on line 16 of form DR 0106.



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2022 Colorado Pass-Through Entity Credit Schedule

Organization Name		Colorado Account Number			
Credit for Tax Paid to Another State by an S-Corporation					
1. Name of other state	● 1				
2. Total income from sources in the other state	● 2	00			
	● A. Tax Paid	● B. Tax Allocated to Partners or Shareholders not included in this composite	● C. Tax Allocated to Partners or Shareholders included in this composite		
3. Tax liability to other state	● 3	00	00	00	
Non-refundable Credits					
	● A. Credit Available	● B. Credit Allocated to Partners or Shareholders not included in this composite.	● C. Credit Allocated to Partners or Shareholders included in this composite		
4. New investment credit	● 4	00	00	00	
5. Old investment tax credit	● 5	00	00	00	
6. Carry forward of prior year Historic property preservation credit (per §39-22-514, C.R.S.)	● 6	00	00	00	
7. Child care contribution credit, you must submit the DR 1317 with your return.	● 7	00	00	00	
8. Child care center, family care home investment credit, you must submit a copy of your facility license and a list of depreciable tangible personal property with your return.	● 8	00	00	00	
9. Employer child care investment credit, you must submit a copy of your facility license and a list of depreciable tangible personal property with your return.	● 9	00	00	00	
10. School-to-career investment credit, you must submit your certification letter with your return.	● 10	00	00	00	
11. Colorado works program credit, you must submit a copy of the letter from the county Department of Social/Human Services with your return.	● 11	00	00	00	
12. Remediation of contaminated land credit, you must submit authorization from CDPHE with your return.	● 12	00	00	00	



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Name		Account Number					
		● A. Credit Available		● B. Credit Allocated to Partners or Shareholders not included in this composite.		● C. Credit Allocated to Partners or Shareholders included in this composite	
13.	Aircraft manufacturer new employee credit, you must submit the DR 0085 and DR 0086 with your return. ● 13	00		00		00	
14.	Colorado job growth incentive credit, you must submit certification from the EDC with your return. ● 14	00		00		00	
15.	Credit for advanced industries, you must submit certification from the EDC with your return. ● 15	00		00		00	
16.	Certified Colorado Disability Funding Committee License Fee credit, you must submit a copy of the certification with your return. ● 16	00		00		00	
17.	Non-refundable Enterprise Zone credits from the DR 1366 line 85, you must submit the DR 1366 with your return. ● 17	00		00		00	
18.	Affordable housing credit, you must submit the CHFA certification with your return. ● 18	00		00		00	
19.	Carry forward of prior year Credit for food contributed to hunger-relief charitable organizations, you must submit the DR 0346 with your return. ● 19	00		00		00	
20.	Preservation of Historic Structures credit (per §39-22-514.5, C.R.S.) carried forward from a prior year. ● 20	00		00		00	
21.	Preservation of Historic Structures credit (per §39-22-514.5, C.R.S.), you must submit the certificate from OEDIT or local granting authority with your return. ● 21	00		00		00	
22.	If you are claiming the Preservation of Historic Structures credit enter your credit certificate number issued by OEDIT or History Colorado. ● 22						
23.	Rural Jump Start Zone credit, you must submit certificate from Office of Economic Development AND the DR 0113 with your return. ● 23	00		00		00	
24.	Strategic Capital Tax Credit from DR 1330, you must submit the DR 1330 with your return. ● 24	00		00		00	
25.	Credit for employer contributions to employee 529 plan, you must submit the DR 0289 with your return. ● 25	00		00		00	
26.	Credit for employer paid leave of absence for live organ donation. Employer must complete and submit form DR 0375 with their return. ● 26	00		00		00	
27.	Total non-refundable credits, sum of lines 4 through 26. Enter here and transfer the amount in Column C to line 13 on the DR 0106 composite return. ● 27	00		00		00	



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Name		Account Number	
	● A. Credit Available	● B. Credit Allocated to Partners or Shareholders not included in this composite.	● C. Credit Allocated to Partners or Shareholders included in this composite

Refundable Credits

28. Business Personal Property credit - use the worksheet in the 106 Book instructions to calculate. You must submit a copy of the assessor's statement with your return. ● 28	00	00	00
29. Innovative Motor Vehicle and Innovative Truck credit from form DR 0617, you must submit the DR 0617(s) with your return. ● 29	00	00	00
30. Refundable Enterprise Zone credits from the DR 1366 line 86, you must submit the DR 1366 with your return. ● 30	00	00	00
31. Credit for conversion costs to an employee-owned business model. You must submit the certificate from the Office of Economic Development with your return. ● 31	00	00	00
32. Electing Pass-Through Entity Owner Tax Credit (see instructions) ● 32	00	00	00
33. Total refundable credits, sum of lines 28 through 32. Enter here and transfer the amount in Column C to line 16 on the DR 0106 composite return. ● 33	00	00	00



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