

Individuals, estates, and trusts who are allowed a federal income tax credit for prior year minimum tax may claim a Colorado minimum tax credit. The credit is generally equal to 12% of the taxpayer's federal minimum tax credit but is limited to the taxpayer's net Colorado income tax liability.

This publication is designed to provide general guidance regarding the Colorado minimum tax credit and to supplement guidance provided in the [Colorado Individual Income Tax Guide](#). Nothing in this publication modifies or is intended to modify the requirements of Colorado's statutes and regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

For information about Colorado alternative minimum tax, see the [Colorado Individual Income Tax Guide](#) and [form DR 0104AMT](#) and its instructions.

Qualifying taxpayers

Individuals, estates, and trusts who are allowed a federal income tax credit for prior year minimum tax may claim a Colorado minimum tax credit. The federal credit is based upon the taxpayer's federal alternative minimum tax for the prior tax years. For example, if a taxpayer owes federal alternative minimum tax for tax year 2022, the taxpayer may be able to claim federal credit and Colorado minimum tax credit for tax year 2023.

The Colorado minimum tax credit is not allowed to C corporations.

Credit calculation

The Colorado credit is 12% of the federal minimum tax credit claimed on [IRS Form 8801](#). The federal minimum tax credit used in calculating the Colorado minimum tax credit appears on line 25 of IRS Form 8801.

The Colorado minimum tax credit a taxpayer may claim is limited to the taxpayer's net Colorado income tax liability, including normal tax, alternative minimum tax, and recapture of prior year credits. Any excess credit cannot be carried forward to another tax year.

If a taxpayer was a part-year resident or nonresident in the prior year, their Colorado minimum tax credit must be apportioned with the apportionment percentage used in computing their alternative minimum tax for the prior year. The percentage is calculated using the apportionment percentage worksheet in the instructions for form DR 0104AMT. For example, if a taxpayer was a nonresident in tax year 2022 and the taxpayer's AMT apportionment percentage for 2022 calculated using the worksheet in the instructions for the 104AMT was 30%, the 2023 Colorado minimum credit would be calculated by multiplying the taxpayer's 2023 federal minimum tax credit by 12% and then by 30%.

Claiming the credit

Taxpayers must complete and submit the appropriate credit schedule with their Colorado income tax return to claim the credit. Individuals claiming the credit must file an [Individual Credit Schedule](#) (104CR) with their [Colorado Individual Income Tax Return](#) (DR 0104). Estates and trusts claiming the credit must file a Fiduciary Credit Schedule (Schedule G) with their [Fiduciary Income Tax Return](#) (DR 0105).



Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to Colorado minimum tax credit. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

Statutes and regulations

- § 39-22-105. Alternative minimum tax.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Colorado Individual Income Tax Guide](#)