



**Booklet Includes:**  
Instructions | DR 0106 | Related Forms

# { 106 }

## BOOK

Partnership and S Corporation

### Colorado Partnership and S Corporation Income Tax Filing Guide

**This book includes:**

- **DR 0107** 2024 Colorado Nonresident Partner or Shareholder Agreement
- **DR 0158-N** Automatic Filing Extension for Composite Nonresident Income Tax Return
- **DR 0106** 2024 Colorado Partnership and S corporation and Composite Nonresident Income Tax Return
- **DR 0106K** 2024 Colorado K-1
- **DR 0106CR** 2024 Colorado Partnership and S Corporation Credit Schedule

## Tax.Colorado.gov

INFORMATION | EDUCATION | ASSISTANCE



**COLORADO**  
Department of Revenue

### Mailing Address FOR FORM DR 0106 AND DR 0106CR



**With Payment**

Colorado Department of Revenue  
Denver, CO 80261-000**6**



**Without Payment**

Colorado Department of Revenue  
Denver, CO 80261-000**5**

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 80261-000**8**





240107 19999

# 2024 Colorado Nonresident Partner or Shareholder Agreement

Taxable Year of Partner or Shareholder				Taxable Year of Partnership or S Corporation			
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 Partnership or S Corporation			
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	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 Partnership or S Corporation 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](http://Tax.Colorado.gov) for more information.



## 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 system at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline). You may also file using private e-File software or with a paid tax preparer. Filing electronically significantly reduces the chance of errors. If you cannot file electronically, mail your return as instructed.

All Colorado forms and publications referenced in this guide are available for download at [Tax.Colorado.gov](https://tax.colorado.gov) — the official Taxation website.

If you are filing on paper, submitting an incomplete return will delay the processing of your return. Please ensure you submit any supporting forms, schedules, and documentation as requested in the instructions. All Colorado income tax forms and guidance publications are available at our official website, [Tax.Colorado.gov](https://tax.colorado.gov).

Every partnership and 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). Any group, organization, or business entity that is treated as a partnership for federal income tax purposes, is treated as a partnership for Colorado income tax purposes, including any limited liability company classified as a partnership for federal income tax purposes.

### Amended Return

To report a change or correction to your return, you must complete a new DR 0106 and mark the “Amended Return” box at the top of the form. Enter all fields even if the value has not changed from the original return. Submit all schedules and supporting documentation, even if they were submitted with the original return and have not changed.

## What’s new this year?

### Elimination of Form DR 0108

Form DR 0108 has been eliminated for tax years commencing on and after January 1, 2024. Instead, partnerships and S corporations must file composite returns including all nonresident partners and shareholders that have not executed a Nonresident Partner or Shareholder Agreement (form DR 0107). Nonresident partners and shareholders included in a composite return may file their own Colorado income tax returns and claim credit for their share of the Colorado income tax paid by the partnership or S corporation in the composite return. Additional information about composite returns can be found later in these instructions.

### Changes to Composite Filing

Every partnership and S corporation that is required to file form DR 0106 that does not make an election under the SALT Parity Act must file a composite return (Part II of form DR 0106) and make a composite payment of tax on behalf of all of its nonresident partners or shareholders, except for the partners and shareholders that are excluded. In general, any partner or shareholder that is a nonresident individual, estate, or trust must be included in the composite return and payment, but any partner that is a corporation or partnership is not. Additionally, any nonresident partner or shareholder that timely files a Nonresident Partner or Shareholder Agreement (form DR 0107) is excluded from the composite return.

The partnership or S corporation may claim a credit allocated to a nonresident partner or shareholder included in a composite return, subject to various limitations. To the extent the credit exceeds the composite payment with respect to the partner or shareholder and the excess may be carried forward or refunded, the amount not applied to the composite payment is passed through to and may only be claimed by the partner or shareholder. A partnership or S corporation may not carry forward or claim a refund for any credit.

Nonresident partners and shareholders included in a composite return may file their own Colorado income tax returns and claim credit for their share of the tax paid by the partnership or S corporation in the composite return. Additional information about nonresident partners and shareholders and composite returns can be found later in these instructions.

### **Composite Estimated Payments**

For tax years beginning on or after January 1, 2024, partnerships and S corporations must remit quarterly estimated payments if its net Colorado tax liability for the year with a composite nonresident return exceeds \$5,000. The rules for calculating a partnership's or S corporation's required estimated payments are generally the same as the rules for calculating a C corporation's estimated tax payments. Please see Part 9 of the Colorado Corporate Income Tax Guide for additional information.

### **Colorado K-1s for Resident Partners**

A partnership or S corporation is required to complete a Colorado K-1 (DR 0106K) for each partner or shareholder. Partnerships and S corporations are generally no longer required to complete the Colorado column (Column B) of any Colorado K-1 prepared for a resident partner or shareholder.

## **General Instructions**

### **Due Dates**

You must file this return and pay any amount owed by the fifteenth day of the fourth month after the close of the tax year, which is April 15 for calendar year filers. For filing your return there is an automatic extension of six months, or until October 15 for calendar year filers. However, no extension is available for payment. To make an extension payment before filing, see form DR 0158-N in this book. If the due date falls on a weekend or legal 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 [Tax.Colorado.gov/filing-requirement-changes-for-partnerships-and-s-corporations](https://tax.colorado.gov/filing-requirement-changes-for-partnerships-and-s-corporations).

### **Nonresident Partners and Shareholders**

Every partnership and S corporation that is required to file form DR 0106 that does not make an election under the SALT Parity Act must file a composite return (Part II of form DR 0106) and make a composite payment of tax on behalf of all of its nonresident partners or shareholders, except for the following partners and shareholders:

- Any Colorado resident partner or shareholder, including partners and shareholders that are residents of Colorado for only part of the tax year;
- Any nonresident partner that is a corporation or a partnership;
- Any nonresident partner or shareholder that is exempt from Colorado income tax under section 39-22-112(1), C.R.S.; and
- Any nonresident partner or shareholder that timely files a Nonresident Partner or Shareholder Agreement (form DR 0107).

Partnerships and S corporations that file a composite return must report on the Colorado K-1 they issue to each included nonresident partner or shareholder their share of the tax paid by the partnership or S corporation with the composite return. Nonresident partners and shareholders may file their own Colorado income tax returns and claim credit for their share of the tax paid by the partnership or S corporation.

## **SALT Parity Act Election**

Partnerships and S corporations may elect to be subject Colorado income tax at the entity level. The election is binding on all of the partners or shareholders, except for any partner that is a C corporation that is unitary with the partnership. Partnerships and S corporations may make this election, by checking box I on form DR 0106. The partnership or S corporation may also make the election by filing form DR 1705 or by marking the SALT Parity Act election box on form DR 0106EP filed with an estimated tax payment. 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 (including both residents and nonresidents), except for any partner that is a C corporation that is unitary with the partnership. Each partner or shareholder must also file a return, except that a nonresident individual partner or shareholder whose only Colorado source income is from the partnership or S corporation making the SALT Parity Act election is not required to 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 general, a partnership or S corporation must remit quarterly estimated payments if its net Colorado tax liability for the year either with a composite nonresident return or as a result of a SALT Parity Act Election exceeds \$5,000. The rules for calculating a partnership's or S corporation's required estimated payments are generally the same as the rules for calculating a C corporation's estimated tax payments. Please see Part 9 of the Colorado Corporate Income Tax Guide.

Use form DR 0233 to calculate the estimated tax penalty, if any. If an estimated tax penalty is due, enter the penalty on line 30 of form DR 0106 and submit a copy of form DR 0233 with the return.

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

## **Colorado K-1 (DR 0106K)**

Partnerships and S corporations must complete a Colorado K-1 (DR 0106K) for each of their partners and shareholders for each tax year. Completed Colorado K-1s must be filed with the Department, as described later in these instructions. On or before the date the Colorado K-1s are filed with the Department, the partnership or S corporation must furnish each partner or shareholder with a copy of the Colorado K-1 reporting their income, deductions, modifications, and credits.

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 (DR 0106K).

## **Apportionment and Sourcing of Income**

Partnerships and S corporations doing business in more than one state must apportion or source the income of their nonresident partners and shareholders as described below. See the Corporate Income Tax Guide for details regarding the following apportionment methods.

The partnership must compute each nonresident 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, 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)).

Please see section 39-22-109, C.R.S., and Rule 39-22-109 for additional guidance in determining Colorado-source income.

### **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.

## **DR 0106 Instructions**

### **Taxpayer Information**

Enter the following information for the partnership or S corporation:



- Fiscal year beginning and ending dates if the tax year is not a calendar year. You must use the same tax year for Colorado as for federal tax purposes;
- Mark if this is an amended return;
- Legal name and, if applicable, “doing business as” or trade name;
- Colorado Account Number (CAN), which is 8 digits and is also used on sales tax and wage withholding forms;
- Federal Employer Identification Number (FEIN); and
- Mailing address, for the Department to send letters regarding your income tax account.

**Listed or Reportable Transaction**

Mark if you are required to report a federal listed or reportable transaction, or a Colorado listed transaction. You must also attach IRS form 8886 or Colorado form DR 1831, as applicable. Refer to sections 39-22-651 through 659, C.R.S., and the 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 1120-S or line 9b (columns (b) and (d)) of Schedule L of IRS form 1065), 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, notice of final partnership adjustments, or otherwise; or
- The partnership or S corporation filed an amended federal return, a federal claim for refund, or a federal administrative adjustment request.

Provide the date of the adjustment and explain the nature of the adjustment 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 or DR 0106EP. This election is binding for this tax year on all partners and shareholders, regardless of whether the partner or shareholder is an individual, corporation, partnership, or other legal entity, and regardless of whether the partner or shareholder is a resident or nonresident, except that the election does not apply to any partner that is a C corporation that is unitary with the partnership. 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: Income and Modifications**

### **Line 1 Ordinary Income or (Loss)**

Enter the ordinary income or (loss) from line 1 of federal Schedule K (IRS form 1065). 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 or loss on the sale, exchange, or other disposition of property reported on a statement attached for line 20c of Schedule K (IRS Form 1065) or line 17d of Schedule K (IRS Form 1120-S) for which a section 179 deduction has been passed through to partners or shareholders. 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 Business meals addition**

Enter the Business meals deducted pursuant to section 274(k) of the Internal Revenue Code reported in Column A on line 10 of the Colorado K-1s (DR 0106K) prepared by the partnership or S corporation for its partners or shareholders.

### **Line 4 Other modifications increasing federal income**

Enter the total additions reported in Column A on lines 9 and 11 of the Colorado K-1s (DR 0106K) prepared by the partnership or S corporation for its partners or shareholders.

### **Line 5 Subtotal**

Sum of lines 1 through 4.

### **Line 6 Federal Deductions**

Enter the total federal deductions reported on line 12 of the Colorado K-1s (DR 0106K) prepared by the partnership or S corporation for its partners or shareholders.

### **Line 7 Colorado Marijuana and Natural Medicine Business Deduction**

For Colorado-licensed marijuana and natural medicine businesses, enter the amount of 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 and natural medicine are controlled substances under federal law.

To calculate this subtraction, you must prepare a pro forma IRS Form 1065 or 1120-S (and associated schedules) without regard to section 280E. The Colorado deduction is the difference between the ordinary business income (loss) calculated on the actual IRS Form 1065 or 1120-S and the pro forma IRS Form 1065 or 1120-S. You must submit the pro forma federal forms and schedules, the actual federal forms and schedules, and your license number from the Colorado Marijuana Enforcement Division (MED) or Natural Medicine Division (NMD) with your Colorado return. Enter the subtraction on this line 7 as a positive number.

**Line 8 Other Modifications Decreasing Federal Income**

Enter the total subtractions reported on line 13 of the Colorado K-1s (DR 0106K) prepared by the partnership or S corporation for its partners or shareholders, excluding any Colorado marijuana and natural medicine business subtraction reported on line 7 of form DR 0106.

**Line 9**

Enter the sum of lines 6 through 8.

**Line 10 Modified Federal Taxable Income**

Subtract line 9 from line 5.

**Line 11 Apportionment and allocation method****Partnerships**

- If the partnership has no income from business activity outside of Colorado, mark the box indicating that all income is Colorado income.
- 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), C.R.S., 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.
- If the partnership is using direct sourcing, mark the Other box.

**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.
- For an S corporation with income from sources within and outside Colorado, mark the Part V box and complete Part V of this form.

**Part II: Composite Return**

**Complete lines 12 through 16 of this form only if a composite return is being filed for nonresident partners or shareholders. If the partnership or S corporation is making a SALT Parity Act Election (see Box I), then do not complete Part II, but go to Part III.**

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

**Line 12 Colorado-source income**

Enter the Colorado-source income of the nonresident partners or shareholders who are included in this composite return. This amount should equal the sum of the amounts on lines 1 through 3 and lines 5 through 13 in column B of the Colorado K-1 (DR 0106K) for all nonresident partners or shareholders included in this composite return. Do not include guaranteed payments from line 4 of the Colorado K-1. Nonresident partners with Colorado-source guaranteed payments must file their own Colorado income tax return to report guaranteed payments and pay any applicable Colorado income tax.

In computing this amount do not include any of the following partners or shareholders:

- Partners that are corporations or partnership;
- Resident partners or shareholders; or
- Partners or shareholders whose net Colorado-source income is negative (sum of the amounts on lines 1 through 3 and lines 5 through 13 in column B of the Colorado K-1 (DR 0106K)).

**Line 13 Colorado Tax**

Multiply the amount on line 12 by 4.25% (0.0425). If a composite return is filed, the amount reported on line 13 of form DR 0106 must equal the sum of the amounts reported on line 16 of the Colorado K-1s (DR 0106K) of all nonresident partners or shareholders included in the composite return.

**Line 14 Credits from the DR 0106CR**

Enter the nonrefundable tax credits from the Colorado Partnership and S Corporation Credit Schedule (DR 0106CR) line 40, Column C that are allocated to the nonresident partners or shareholders included in the composite return and applied toward tax on the composite return. The partnership or S corporation may claim a credit allocated to a nonresident partner or shareholder only to the extent that the nonresident partner or shareholder could have, under any applicable restrictions, claimed the credit on a return they filed. To the extent the credit exceeds the composite payment with respect to the partner or shareholder, the amount not applied to the composite payment is passed through to and may only be claimed by the partner or shareholder. Do not include any amounts from Column B on this line. Every partnership and S corporation must submit a completed form DR 0106CR with its return.

**Line 15 Gross Conservation Easement Credit**

Enter the gross conservation easement credit allocated to the nonresident partners or shareholders included in the composite return and applied toward tax on the composite return. This amount must match form DR 1305G line 33, and you must submit DR 1305G with your return.

**Line 16 Net Tax**

Add lines 14 and 15, then subtract that sum from line 13. The sum of lines 14 and 15 may not exceed the amount on line 13.

**If you completed lines 12-16, then skip Part III and go to Part IV.**

**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, excluding any resident partner whose net income from the partnership is negative. This amount should equal the sum of the amounts on lines 1 through 3 and lines 5 through 13 in column A of the Colorado K-1 for all resident partners or shareholders, except for any resident partner whose net income from the partnership is negative.

**Line 18 Nonresident Income**

Enter the total of all nonresident partners' or shareholders' Colorado-source income, excluding any nonresident partner whose net income from the partnership is negative. This amount should equal the sum of the amounts on lines 1 through 3 and lines 5 through 13 in column B of the Colorado K-1 for all nonresident partners or shareholders, except for any nonresident partner whose net income from the partnership is negative.

**Line 19 Colorado Taxable Income**

Enter the sum of lines 17 and 18.

**Line 20 Colorado Tax**

Multiply line 19 by 4.25% (0.0425).

## **Part IV: Computation of Amount Owed or Overpayment**

### **Line 21 Colorado Tax**

Enter the amount from either line 16 (Part II) or line 20 (Part III) of this form. Part II and Part III should not both be completed, as a partnership or S corporation may file a composite return (by completing Part II) or make a SALT Parity Act election (and complete Part III), but it may not do both.

### **Line 22. In-Lieu-Of Amount**

If a partnership's 2024 federal return was audited by the IRS and the partnership has made an election pursuant to section 39-22-601.5(3)(d), C.R.S., to pay an amount in lieu of taxes owed by its direct and indirect partners, the partnership must file an amended 2024 Colorado return and enter on line 22 the in-lieu-of amount determined under section 39-22-601.5(3)(e), C.R.S.

### **Line 24 Estimated Tax, Extension Payments, and Credits**

Enter the total credit for prepayments. Carefully review your payment records and include the following:

- Estimated tax payments for 2024 (verify at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline));
- Any overpayment from 2023 that was carried forward to 2024;
- Extension payments 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 25 Withholding from Lottery or Gambling Winnings**

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

### **Line 26 Additional Credit from form DR 0619**

Enter the additional credit from form DR 0619, line 3 or 10.

### **Line 27**

Enter the sum of lines 24, 25, and 26.

### **Line 28 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 29 Interest**

Interest is due on any unpaid tax balance paid after the original due date (without extension). For information about calculating interest, see Department guidance publication Tax Topics: Penalties and Interest.

### **Line 30 Estimated Tax Penalty**

Enter the amount from DR 0233 line 22, and submit the DR 0233 with the return. This penalty is due if:

- The partnership or S corporation is filing a composite return or making a SALT Parity Act election;
- The net tax liability is greater than or equal to \$5,000; and
- Any of the required quarterly estimated tax payments were not remitted.

If the amount paid exceeds the Department's calculations, any overpayment will be refunded to you.

**Line 31 Amount Owed**

If line 23 is greater than line 27, subtract line 27 from line 23 and add any penalty or interest due from lines 28, 29, and 30.

**Line 32 Overpayment**

If line 27 is greater than line 23, subtract line 23 from line 27.

**Line 33 Estimated Tax Credit**

Enter the amount from line 32 that you want to credit to next year's estimated tax.

**Line 34 Refund Amount**

Subtract line 33 from line 32.

**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 number, account number, and account type. The routing number is 9 digits. Account numbers can be up to 17 characters with numbers and letters. Include hyphens, but do not enter spaces or special symbols. Contact your financial institution to ensure you are using the correct information and they will honor a direct deposit.

**Intercepted Refunds:** The Department will intercept your refund if you owe taxes or other debts to the State of Colorado 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.

**Signature and Preparer**

The law requires the return to be signed under penalty of perjury. The return must be signed by a partner duly authorized to act on behalf of the partnership or an officer of the S corporation that is duly authorized to act on its behalf.

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

**File and Pay**

You may file this return and pay any amount due using our free and secure system at [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline).

If you are mailing this return **with** a check or payment, send it to:

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

If you are mailing this return **without** a check or payment, send it to:

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



## 2024 Automatic Filing Extension for Partnerships and S Corporations 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 for partnerships and S corporations 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 legal 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 Tax Topics: Penalties and Interest 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. The DR 0158-N is not required to be sent if an online payment is made. Please be advised that a small processing fee may apply to e-check or credit card payments.

### Required Payment

Partnerships and S corporations are generally required to make payments when filing a composite return or a return making an election under the SALT Parity Act. This extension payment, along with any estimated payments, will be applied to the composite or SALT Parity Act liability.

DR 0158-N			
<b>For the calendar year 2024 or the fiscal year</b>			
Fiscal Year Beginning (MM/DD/24)		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. This address and ZIP code is 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 "2024 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.**







240106 19999

2024 Colorado Partnership and S Corporation Income Tax Return

Fiscal Year Beginning (MM/DD/24) Fiscal Year Ending (MM/DD/YY)
Mark for Amended Return (0043)

Name of Organization Colorado Account Number (CAN)

Doing Business As Federal Employer ID Number (FEIN)

Address City State ZIP

If you are including a statement disclosing a listed or reportable transaction, mark this box

A. This return is being filed for (mark one):

- Partnership S Corporation LLC LP LLP LLLP Association Non-Profit

B. Beginning depreciable assets from federal return C. Ending depreciable assets from federal return

D. Business or profession E. Date of organization or incorporation (MM/DD/YY)

F. If this is a final return, mark this box G. If the IRS has made any adjustments to your federal return or you have filed amended federal returns during the last four years, mark this box:

H. Number of partners or shareholders as of year end Explain:

I. If this partnership or S corporation is electing to be subject to tax at the entity level under the SALT Parity Act (section 39-22-343, C.R.S.) for this income tax year, mark this box.

Table with 3 columns: Description, Amount, and Round to the nearest dollar. Rows include Ordinary income from federal Schedule K, Sum of all other income, Business meals deducted pursuant to section 274(k) of the Internal Revenue Code, Other modifications increasing federal income, Sum of lines 1 through 4, Allowable deductions from federal Schedule K, Colorado Marijuana and Natural Medicine Business Deduction, Other modifications decreasing federal income, and Sum of lines 6 through 8.



240106 29999

Name of Organization (match page 1)		CAN or FEIN (match page 1)	
10. Modified federal taxable income, subtract line 9 from line 5		10	00
11. Apportionment and allocation method:			
<input type="checkbox"/> Part V <input type="checkbox"/> Other (include explanation) <input type="checkbox"/> Income is all Colorado Income		11	
<b>Part II: Composite Nonresident Income Tax Return</b>			
Do not complete lines 12-16 unless you are filing a composite nonresident return.			
12. Colorado-source income of nonresident partners or shareholders electing to be included in this composite filing.		12	00
13. Tax; 4.25% of the amount on line 12		13	00
14. Credits from the DR 0106CR line 40 column C, you must include the DR 0106CR with your return.		14	00
15. 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.		15	00
16. Net tax, sum of lines 14 and 15, then subtract this sum from line 13. The sum of lines 14 and 15 may not exceed the amount on line 13.		16	00
<b>Part III: SALT Parity Act Income Tax Return</b>			
Do not complete lines 17-20 unless you are filing a return for a partnership or S corporation 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 partnership or S corporation, sum of lines 17 and 18		19	00
20. Net Tax; 4.25% of the amount on line 19		20	00
<b>Part IV: Computation of Amount Owed and Overpayment</b>			
21. Enter the amount from line 16 or line 20, whichever applies		21	00
22. In-lieu-of amount determined under section 39-22-601.5(3)(e), C.R.S., for partnership audit adjustment		22	00
23. Subtotal; sum of lines 21 and 22		23	00
24. Estimated tax, extension payments, and credits		24	00
25. Withholding from lottery or gambling winnings		25	00
26. Additional credit from form DR 0619, line 3 and 10, you must submit the DR 0619 with your return.		26	00
27. Subtotal; sum of lines 24, 25, and 26		27	00
28. Penalty (include on line 31)		28	00
29. Interest (include on line 31)		29	00
30. Estimated Tax Penalty (include on line 31)		30	00





240106 49999

Name of Organization (match page 1)	CAN or FEIN (match page 1)
-------------------------------------	----------------------------

**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 10	1	00
--	---	----

**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 8

	• 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



240106 59999

Name of Organization (match page 1)		CAN or FEIN (match page 1)	
<b>13. Add income directly allocable to Colorado:</b>			
(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)]		<b>13</b>	00
<b>14. Total income apportioned and allocated to Colorado, sum of lines 12 and 13(f).</b>		<b>14</b>	00
<b>15.</b> <input type="checkbox"/> Pursuant to <b>§39-22-303.6(8) C.R.S.</b> , 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 are 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 2024 are due on April 15, 2025. If the due date falls on a weekend or legal 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). Partnerships who file through MeF can submit each partner's Colorado K-1 as part of their partnership return. 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 any paper form DR 0106 filed by the partnership.

### 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 Part 1 of the Colorado Individual Income Tax Guide 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. The election does not apply to any partner that is a C corporation that is unitary with the partnership. Check the box to indicate that they are an excluded nonresident.

## Nonresident Partners

If the partner is a nonresident of Colorado and an individual, estate, or trust, check the applicable box to indicate whether the partnership is filing a composite return that includes the partner, the partnership has filed or is filing a DR 0107 for the partner, or the partnership is making a SALT Parity Act election. If the partner is a nonresident of Colorado and is a corporation or partnership, check the box to indicate that they are an excluded nonresident.

A form DR 0107 filed with the Department for a nonresident partner remains in effect for future tax years. The partnership does not need to submit a new form DR 0107 for the same nonresident partner each year.

## 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 for each nonresident partner the portion of each listed item derived from sources in Colorado or otherwise attributable 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 provide guidance for determining the amounts to enter in each column.

## Federal Income and Deductions

Enter on lines 1 through 8 and line 12 in Column A the income and deduction information 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 12, 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
12. Federal deductions	Sum of Boxes 12 and 13



Complete lines 1 through 13 in Column B for each nonresident partner that is an individual, estate, or trust. Leave these lines in Column B blank for all resident partners and for all partners that are corporations or partnerships.

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 nonresident 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 12 in Column B the portions of the nonresident 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 Part V of form DR 0106 and 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 that was either:

- deducted by the partnership on line 14 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

Report on line 9 the partner's distributive share of all deducted state income taxes, 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 that was either:

- deducted by the partnership on line 14 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

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 Business meals addition**

---

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

Enter the partner's distributive share of any federal business deduction claimed by the S corporation for the income tax year for business meals under section 274(k) of the Internal Revenue Code.

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.

---

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

Include on line 10 in Column B the amount of the business meals addback from Column A to the extent that the business meal expenses were in Colorado.

**Line 11 Other Colorado additions**

---

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

Enter on line 11 in Column A the partner's distributive share of any required Colorado additions not reported on lines 9 or 10.

Report on line 11 the partner's distributive share of any addition required for non-Colorado state or local bond interest, including any non-Colorado state or local bond interest reported on line 11 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. 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.

Report on line 11 the partner's distributive share of following additions, including any of the following additions reported on line 11 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. 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 by the partnership 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 by the partnership 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.

---

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

Enter on line 11 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 11 in Column B the full amount of any of the following additions entered in Column A:

- Business expenses deducted by the partnership 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 by the partnership 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.

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 13 Colorado subtractions**

---

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

Enter on line 13 in Column A the partner's distributive share of any allowable Colorado subtractions. Enter subtractions on line 13 as a negative amount.

Report on line 13 the partner's distributive share of any interest income on obligations of the United States and its possessions, including any U.S. Government interest reported on line 13 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner.

Report on line 13 the partner's distributive share of following subtractions, including any of the following subtractions reported on line 13 of a Colorado K-1 issued to the partnership by a lower-tier partnership in which the partnership was a partner. 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 licensed under the "Colorado Natural Medicine 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 natural medicine 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 13 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 13 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; and
- If the partnership is licensed under the "Colorado Natural Medicine 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 natural medicine is a controlled substance under federal law.

Include on line 13 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 14 and 15 Partner's Share of Total Receipts and Non-Appportionable Income**

Lines 14 and 15 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 14 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 14 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 15 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 15 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 generally 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 16 Partner's or shareholder's Share of Tax Paid with a Composite Return or SALT Parity Election**

If the partner is included in a composite nonresident return filed by the partnership, enter on line 16 the nonresident partner's share of the composite tax calculated and paid by the partnership pursuant to section 39-22-601(5.5)(d)(III), C.R.S. Sum the amounts on lines 1 through 3 and lines 5 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.

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 16 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 13 in Column A, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.
- In the case of a nonresident partner, sum the amounts on lines 1 through 3 and lines 5 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 3 and lines 5 through 13 is a negative amount, enter 0 (zero) on line 16.

Do not enter on line 16 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 filing the composite return or making the SALT parity election.

---

### **Partner's or Shareholder's Share of Credits**

Enter on the applicable line the partner's distributive share of any credits allowed to the partnership for the tax year. If the partnership was a partner (an "upper-tier partnership") in another partnership (a "lower-tier partnership"), include on each partner's Colorado K-1 their distributive share of any credits passed through to them from the lower-tier partnership. Do not include any credits that are applied on form DR 0106CR toward the partner's share of tax in a composite return filed by the partnership or any credits allowed in prior tax years.

### **Line 17 Recapture of Prior Years Credits**

Enter the partner's distributive share of any required recapture of credits claimed in a prior tax year, such as the affordable housing credit or the historic property preservation credit.

### **Line 18 Advanced Industry Investment Credit**

Information regarding the advanced industries investment tax credit is available online at [OEDIT.Colorado.gov/advanced-industries-investment-tax-credit](http://OEDIT.Colorado.gov/advanced-industries-investment-tax-credit)

**Line 19 Business Personal Property Credit**

For information about the business personal property tax credit, please see Department publication *Income Tax Topics: Business Personal Property Credit*, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications).

**Line 20 Child Care Center Family Care Home Investment Credit**

For information about the credit, please see section 39-22-517, C.R.S.

**Line 21 Child Care Contribution Credit**

For information about the child care contribution credit, please see Department publication *Income Tax Topics: Child Care Contribution Credit*, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications)

**Line 22 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](http://OEDIT.Colorado.gov/job-growth-incentive-tax-credit)

**Line 24 Preservation of Historic Structures Credit**

For information about the credit, please visit [OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit](http://OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit) and [Historycolorado.org/preservation-tax-credits](http://Historycolorado.org/preservation-tax-credits)

**Line 25 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 24 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 and 26 through 35 Enterprise Zone Tax Credits**

For information about enterprise zone tax credits, please see the Enterprise Zone Tax Guide and Department publication *Income Tax Topics: Enterprise Zone Contribution Credits*, both of which are available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications).

**Line 36 Heat Pump Credit for Registered Contractors**

For information about the credit, please see form DR 1322 and visit [EnergyOffice.Colorado.gov/hptc](http://EnergyOffice.Colorado.gov/hptc).

**Line 37 Refundable Residential Energy Storage Systems Credit**

For information about the credit, please see form DR 1307.

**Line 38 Nonrefundable Residential Energy Storage Systems Credit**

For information about the credit, please see form DR 1307.

**Line 39 Homeless Contribution Credit**

Information regarding the credit is available at [CDOLA.Colorado.gov/hctc](http://CDOLA.Colorado.gov/hctc)

**Line 40 Alternative Transportation Options Credit**

For information about the credit, please see Department publication *Income Tax Topics: Alternative Transportation Options Credit*, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications), and visit [Tax.Colorado.gov/alternative-transportation-option-tax-credit](http://Tax.Colorado.gov/alternative-transportation-option-tax-credit)

**Line 41 Employer Assistance for Home Purchase Credit**

For information about the credit, please see Department publication *Income Tax Topics: Employer Contributions to Home Savings Accounts*, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications)

**Line 42 Colorado Film Incentive Credit**

For information about the credit, please visit [OEDIT.Colorado.gov/colorado-film-incentive](https://OEDIT.Colorado.gov/colorado-film-incentive)

**Line 43 Food Accessibility Credit, Certified by the Department of Agriculture**

For information about the credit, please visit

[AG.Colorado.gov/markets/markets-funding/community-food-access-program](https://AG.Colorado.gov/markets/markets-funding/community-food-access-program)

**Line 44 Certified Greenhouse Gas Avoidance Credits**

Enter on this line any of the following credits certified by the Colorado Energy Office:

- Industrial Clean Energy Credit
- Geothermal Energy Expenditure Credit
- Geothermal Energy Production Credit
- Sustainable Aviation Fuel Production Credit
- Clean Hydrogen Credit

For information about the Industrial Clean Energy Credit and Geothermal Energy Credits, please visit

[EnergyOffice.Colorado.gov/citco](https://EnergyOffice.Colorado.gov/citco) and [EnergyOffice.Colorado.gov/geothermal-tax-credit](https://EnergyOffice.Colorado.gov/geothermal-tax-credit)

**Line 45 Electric-Powered Lawn Equipment Credit for Qualified Retailers**

For information about the credit, please see Department publication Income Tax Topics: Electric-Powered Lawn Equipment Credit, available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications)

**Line 46 Other Credits**

Please visit [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/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 are 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 2024 are due on April 15, 2025. If the due date falls on a weekend or legal 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). S corporations who file through MeF can submit each shareholder's Colorado K-1 as part of their S corporation return. 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 any paper form DR 0106 filed by the S corporation.

### **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 Part 1 of the Colorado Individual Income Tax Guide 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 shareholder is a nonresident of Colorado and an individual, estate, or trust, check the applicable box to indicate whether the S corporation is filing a composite return that includes the shareholder, the S corporation has filed or is filing the DR 0107 for the shareholder, or the S corporation is making a SALT Parity Act Election.

A form DR 0107 filed with the Department for a nonresident shareholder remains in effect for future tax years. The S corporation does not need to submit a new form DR 0107 for the same nonresident shareholder each year.

## 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 for each nonresident shareholder the portion of each listed item attributable 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 12 in Column A the income and deduction information 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 12, 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
12. Federal deductions	Boxes 11 and 12

Complete lines 1 through 13 in Column B for each nonresident shareholder. Leave these lines in Column B blank for all resident shareholders.

Enter on lines 1 through 8 and line 12 in Column B the portions of the nonresident 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 that was either:

- deducted by the S corporation on line 12 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

Report on line 9 the resident shareholder's pro rata share of all deducted state income taxes, 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 that was either:

- deducted by the S corporation on line 12 of IRS Form 1065 for the tax year, or
- reported on line 9 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

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 Business Meals Addition

---

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

Enter the shareholder's pro rata share of any federal business deduction claimed by the S corporation for the income tax year for business meals under section 274(k) of the Internal Revenue Code. The shareholder's pro rata share of the 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.

---

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

Include on line 10 in Column B the amount of the business meals addback from Column A to the extent that the business meal expenses were in Colorado.

## Line 11 Other Colorado Additions

---

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

Enter on line 11 in Column A the shareholder's pro rata share of any required Colorado additions that are not reported on lines 9 or 10.

Report on line 11 the shareholder's pro rata share of any addition required for non-Colorado state or local bond interest, including any non-Colorado state or local bond interest reported on line 11 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. 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.

Report on line 11 the shareholder's pro rata share of the following additions, including any of the following additions reported on line 11 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. 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 by the S corporation 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 by the S corporation 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.

---

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

Enter on line 11 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 11 in Column B the full amount of any of the following additions entered on line 11 in the in Column A:

- Business expenses deducted by the S corporation 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 by the S corporation 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.

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 13 Colorado Subtractions**

---

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

Enter on line 13 in Column A the shareholder's pro rata share of any allowable Colorado subtractions. Enter subtractions on line 13 as a negative amount.

Report on line 13 the shareholder's pro rata share of any interest income on obligations of the United States and its possessions, including any U.S. Government interest reported on line 13 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner.

Report on line 13 the shareholder's pro rata share of following subtractions, including any of the following subtractions reported on line 13 of a Colorado K-1 issued to the S corporation by a partnership in which the S corporation was a partner. 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;
- If the S corporation is licensed under the “Colorado Natural Medicine 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 natural medicine 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 13 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 13 in Column B the full amount of any of the following subtraction entered on line 13 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; and
- If the partnership is licensed under the “Colorado Natural Medicine 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 natural medicine is a controlled substance under federal law.

Include on line 13 in Column B the amount of the following subtraction entered on line 13 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 13 in Column B the amount of the following subtraction entered on line 13 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 14 and 15 Partner’s Share of Total Receipts and Non-Apportionable Income**

The completion of lines 14 and 15 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.

If the shareholder requires information regarding their pro rata share of the S corporation's receipts, enter on line 14 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 14 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.

If the shareholder requires information regarding their pro rata share of the S corporation's nonapportionable income, enter on line 15 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 15 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 16 Partner's or Shareholder's Share of Tax Paid with a Composite Return or SALT Parity Election**

If the shareholder is included in a composite nonresident return filed by the S corporation, enter on line 16 the nonresident shareholder's share of the composite tax calculated and paid by the S corporation pursuant to section 39-22-601(2.7)(d)(III), C.R.S. Sum the amounts on lines 1 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.

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 16 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 13 in Column A, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.
- In the case of a nonresident shareholder, sum the amounts on lines 1 through 13 in Column B, multiply the sum by 4.25% (0.0425), and enter the result on line 16. If the sum of the amounts on lines 1 through 13 is a negative amount, enter 0 (zero) on line 16.

Do not enter on line 16 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 filing the composite return or making the SALT parity election.

---

### **Partner's or Shareholder's Share of Credits**

Enter on the applicable line the shareholder's pro rata share of any credits allowed to the S corporation for the tax year. If the S corporation was a partner in a partnership, include on each shareholder's Colorado K-1 their pro rata share of any credits passed through to them from the partnership. Do not include any credits that are applied on form DR 0106CR toward the shareholder's share of tax in a composite return filed by the S corporation or any credits allowed in prior tax years.

**Line 17 Recapture of Prior Years Credits**

Enter the shareholder's distributive share of any required recapture of credits claimed in a prior tax year, such as the affordable housing credit or the historic property preservation credit.

**Line 18 Advanced Industry Investment Credit**

Information regarding the advanced industries investment tax credit is available online at [OEDIT.Colorado.gov/advanced-industries-investment-tax-credit](https://OEDIT.Colorado.gov/advanced-industries-investment-tax-credit)

**Line 19 Business Personal Property Credit**

For information about the business personal property tax credit, please see Department publication *Income Tax Topics: Business Personal Property Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications).

**Line 20 Child Care Center Family Care Home Investment Credit**

For information about the credit, please see section 39-22-517, C.R.S.

**Line 21 Child Care Contribution Credit**

For information about the child care contribution credit, please see Department publication *Income Tax Topics: Child Care Contribution Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications)

**Line 22 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](https://OEDIT.Colorado.gov/job-growth-incentive-tax-credit)

**Line 24 Preservation of Historic Structures Credit**

For information about the credit, please visit [OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit](https://OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit) and [historycolorado.org/preservation-tax-credits](https://historycolorado.org/preservation-tax-credits)

**Line 25 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 24 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 and 26 through 35 Enterprise Zone Tax Credits**

For information about enterprise zone tax credits, please see the Enterprise Zone Tax Guide and Department publication *Income Tax Topics: Enterprise Zone Contribution Credits*, both of which are available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications)

**Line 36 Heat Pump Credit for Registered Contractors**

For information about the credit, please see form DR 1322 and visit [EnergyOffice.Colorado.gov/hptc](https://EnergyOffice.Colorado.gov/hptc)

**Line 37 Refundable Residential Energy Storage Systems Credit**

For information about the credit, please see form DR 1307.

**Line 38 Nonrefundable Residential Energy Storage Systems Credit**

For information about the credit, please see form DR 1307.

**Line 39 Homeless Contribution Credit**

Information regarding the credit is available at [CDOLA.Colorado.gov/hctc](https://CDOLA.Colorado.gov/hctc).

**Line 40 Alternative Transportation Options Credit**

For information about the credit, please see Department publication *Income Tax Topics: Alternative Transportation Options Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications), and visit [Tax.Colorado.gov/alternative-transportation-option-tax-credit](https://tax.colorado.gov/alternative-transportation-option-tax-credit).

**Line 41 Employer Assistance for Home Purchase Credit**

For information about the credit, please see Department publication *Income Tax Topics: Employer Contributions to Home Savings Accounts*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

**Line 42 Colorado Film Incentive Credit**

For information about the credit, please visit [OEDIT.Colorado.gov/colorado-film-incentive](https://OEDIT.Colorado.gov/colorado-film-incentive).

**Line 43 Food Accessibility Credit, Certified by the Department of Agriculture**

For information about the credit, please visit [AG.Colorado.gov/markets/markets-funding/community-food-access-program](https://AG.Colorado.gov/markets/markets-funding/community-food-access-program).

**Line 44 Certified Greenhouse Gas Avoidance Credits**

Enter on this line any of the following credits certified by the Colorado Energy Office:

- Industrial Clean Energy Credit
- Geothermal Energy Expenditure Credit
- Geothermal Energy Production Credit
- Sustainable Aviation Fuel Production Credit
- Clean Hydrogen Credit

For information about the Industrial Clean Energy Credit and Geothermal Energy Credits, please visit [EnergyOffice.Colorado.gov/citco](https://EnergyOffice.Colorado.gov/citco) and [EnergyOffice.Colorado.gov/geothermal-tax-credit](https://EnergyOffice.Colorado.gov/geothermal-tax-credit).

**Line 45 Electric-Powered Lawn Equipment Credit for Qualified Retailers**

For information about the credit, please see Department publication *Income Tax Topics: Electric-Powered Lawn Equipment Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

**Line 46 Other Credits**

Please visit [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications) for information about any other Colorado income tax credits.



240106K 19999

### 2024 Colorado K-1

● Fiscal Year Beginning (MM/DD/24)		● 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 <input type="checkbox"/> Excluded Nonresident <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. Business meals deducted pursuant to section 274(k) of the Internal Revenue Code ●10	00		00
11. Other Colorado additions ●11	00		00
12. Federal deductions ●12	00		00
13. Colorado subtractions ●13	00		00
14. Partner's share of total receipts from line 8 of the DR 0106, part V. ●14	00		00
15. Partner's share of non-apportionable income from the DR 0106, part V. ●15	00		00
16. Partner's or shareholder's share of tax paid with composite return or SALT Parity election ●16			00



240106K 29999



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			Remaining Amount (excluding any credit applied towards composite tax)
17. Recapture of prior year credits	● 17		00
18. Advanced Industry Investment credit	● 18		00
19. Business Personal Property credit	● 19		00
20. Child care center family care home investment credit	● 20		00
21. Child care contribution credit	● 21		00
22. Colorado job growth incentive credit	● 22		00
23. Enterprise zone business facility new employee credit	● 23		00
24. Preservation of Historic Structures credit	● 24		00
25. SALT Parity credit from lower-tier partnership (see instructions)	● 25		00
26. Enterprise zone agricultural processing new employee credit	● 26		00
27. Enterprise zone commercial vehicle investment tax credit	● 27		00
28. Enterprise zone contribution credit	● 28		00
29. Enterprise zone employee health insurance credit	● 29		00
30. Enterprise zone enhanced rural agricultural processing new employee credit	● 30		00
31. Enterprise zone enhanced rural new employee credit	● 31		00
32. Enterprise zone investment tax credit	● 32		00
33. Enterprise zone job training investment tax credit	● 33		00
34. Enterprise zone research and experimental activities credit	● 34		00
35. Enterprise zone vacant commercial building rehabilitation credit	● 35		00
36. Heat Pump Credit for Registered Contractors	● 36		00
37. Refundable Residential Energy Storage Systems Credit	● 37		00
38. Nonrefundable Residential Energy Storage Systems Credit	● 38		00
39. Homeless Contribution Credit	● 39		00
40. Alternative Transportation Options Credit	● 40		00







240106K 39999



Name of Partner or Shareholder	Partner's or Shareholder's SSN, ITIN, FEIN, or Colorado Account Number

41. Employer Assistance for Home Purchase Credit	●41	00
42. Colorado Film Incentive Credit	●42	00
43. Food Accessibility Credit, certified by the Department of Agriculture	●43	00
44. Certified Greenhouse Gas Avoidance Credits	●44	00
45. Electric-Powered Lawn Equipment Credit for qualified retailers	●45	00
46. Other Credits, explain below:	●46	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. 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), except for any portion of a credit applied toward tax on a composite return on form DR 0106CR.

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 not allowed to certain types of partners or shareholders cannot be redistributed to other partners or shareholders.

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, enter the gross amount credit available resulting from the partnership's or S corporation's activity during the tax year. Also include in column A the partnership's or S corporation's share of any credit resulting from the activity of a partnership in which the partnership or S corporation was as partner.

Unless the partnership or S corporation is filing a composite return on behalf of nonresident partners or shareholders, enter in column B the amount from column A and enter 0 (zero) in column C. This procedure applies any partnership or S corporation that is not filing a composite return, including any partnership or S corporation 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 any 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 C, enter the total amount of the credit applied toward tax in the composite return. The partnership or S corporation may apply credit allocated to a nonresident partner or shareholder included in the composite return only to the extent that the nonresident partner or shareholder could have, under any applicable restrictions, claimed the credit on a return they filed. To the extent the credit exceeds the composite payment with respect to the partner or shareholder, the amount not applied to the composite payment is passed through to and may only be claimed by the partner or shareholder. Amounts passed through are reported in Column B and on form DR 0106K.

## 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 used 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.

### Line 1 Recapture of Prior Year Credits

Enter any required recapture of credits allowed in a prior tax year, such as the affordable housing credit or the historic property preservation credit.

## **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 2 through 4 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 2 State Name**

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

### **Line 3 Total Income Sourced to State**

Enter the total amount of income sourced to the state listed on line 2. In determining whether income is derived from sources within such other state, Colorado law governs the sourcing of income.

### **Line 4 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 2 through 4 for additional states.

## **Nonrefundable Credits**

### **Line 5 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 Department publication Income Tax Topics: Child Care Contribution Credit, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications).

### **Lines 6 and 7 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, please see section 39-22-517, C.R.S.

### **Line 8 School-to-Career Investment Credit**

Submit a copy of the letter from the certifying organization. For more information, please see section 39-22-520, C.R.S..

### **Line 9 Colorado Works Program Credit**

Submit a copy of the letter from the county human services department. For more information, please see section 39-22-521, C.R.S.

### **Line 10 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). For additional information, please see Income Tax Topics: Remediation of Contaminated Land Credit, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications).

**Line 11 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](http://OEDIT.Colorado.gov/job-growth-incentive-tax-credit).

**Line 12 Advanced Industries Credit**

Submit the certificate issued by the Office of Economic Development and International Trade (OEDIT). Information regarding the credit is available at [OEDIT.Colorado.gov/advanced-industries-investment-tax-credit](http://OEDIT.Colorado.gov/advanced-industries-investment-tax-credit).

**Line 13 Certified Colorado Disability Funding Committee License Fee Credit**

Submit a copy of the credit certificate. For information about the credit, please visit [Colorado.gov/dfc](http://Colorado.gov/dfc).

**Line 14 Nonrefundable Enterprise Zone Credits**

Complete the Certified Economic Development Credit Schedule (DR 1366) and enter the amount from lines 25 and 26 on this line 14. 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 15 CHIPS Zone Credits**

Complete the Certified Economic Development Credit Schedule for Taxpayers with a Refund Certificate (DR 1370) and enter the amount from lines 21 and 22 on this line 15. Submit form DR 1370, and any required certificates, with this schedule. Partnerships and S corporations that are claiming credits from form DR 1370 are encouraged to file electronically to avoid processing delays. For more information, please visit [OEDIT.Colorado.gov/CHIPS-Zones-Program](http://OEDIT.Colorado.gov/CHIPS-Zones-Program).

**Line 16 Affordable Housing Credit**

Submit a copy of the certificate issued by the Colorado Housing Finance Authority. Please visit [Chfainfo.com/rental-housing/housing-credit](http://Chfainfo.com/rental-housing/housing-credit) for additional information.

**Lines 17 and 18 Preservation of Historic Structures Credit**

Enter the amount and allocation of the credit on line 17. Enter the number of the certificate issued by the Office of Economic Development and International Trade (or local granting authority) on line 18 and submit a copy with this schedule. For more information, refer to [OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit](http://OEDIT.Colorado.gov/commercial-historic-preservation-tax-credit) and [historycolorado.org/preservation-tax-credits](http://historycolorado.org/preservation-tax-credits).

**Line 19 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](http://OEDIT.Colorado.gov/rural-jump-start-program).

**Line 20 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 20. Submit the DR 1330 with this schedule.

**Line 21 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 21. Submit the DR 0289 with this schedule. For additional information, please see Department publication Income Tax Topics: 529 Employer Contribution Credit, available online at [Tax.Colorado.gov/guidance-publications](http://Tax.Colorado.gov/guidance-publications).

### **Line 22 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 22. Submit the DR 0375 with this schedule.

### **Lines 23 and 24 Colorado Homeless Contribution Credit**

An income tax credit is available for making a monetary or in-kind contribution to an approved nonprofit organization that undertakes a capital campaign or provides certain services that assist individuals or families experiencing homelessness. The amount of the credit is 25% of the total value of the contribution. If the contribution is made to an approved nonprofit organization, or to an approved project, in an underserved, rural county, the amount of the credit is 30% of the total value of the contribution. The credit allowed may not exceed \$100,000 per taxpayer per year. For partnerships and S corporations, this limit is applied at the entity level. A credit certificate issued by the approved nonprofit organization must be submitted with any return claiming this credit. Information regarding the credit is available at [CDOLA.Colorado.gov/hctc](https://CDOLA.Colorado.gov/hctc).

### **Line 25 Employer Assistance for Home Purchase Credit**

An income tax credit is available to employers that establish one or more qualifying home savings accounts for their employees in Colorado. The credit is generally equal to 5% of the amount of the contribution, subject to certain limitations. Please see Department publication Income Tax Topics: Employer Contributions to Home Savings Accounts for additional information.

### **Line 26 Nonrefundable Residential Energy Storage Systems Credit**

A nonrefundable income tax credit is available for partnership or S corporation building owners that installed qualifying residential energy storage systems into residential buildings in Colorado and that did not assign the credit to the seller. The amount of the credit is the amount calculated on line 3 of the Residential Energy Storage Systems Credit Eligibility Certification and Assignment Election (DR 1307). Submit form DR 1307 when claiming this credit.

### **Line 27 Enterprise Zone Contribution Credit**

Submit a copy of the credit certificate. For information about the credit, please see Department publication Income Tax Topics: Enterprise Zone Contribution Credit, available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications).

## **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 any partner or shareholder may claim, or a partnership or S corporation may claim on behalf of any nonresident partner or shareholder included in a composite return, is limited to the tax paid in 2024 on the first \$18,000 of actual value of the personal property taxed. The credit is not allowed with respect to taxes paid on real property or for any delinquent tax from prior years paid in 2024. The credit for any nonresident partner or shareholder included in a composite return is determined as follows:

1. Either find the actual value of business personal property on your assessor statement, or find the assessed value and assessment rate and use this formula:

$$\text{Actual Value} = \frac{\text{Assessed Value}}{\text{Assessment Rate}}$$

The assessment rates for tax year 2023 paid in 2024 are 26.4% (0.264) for agricultural or renewable energy production property or 27.9% (0.279) for all other nonresidential property.

For example, an assessed value of \$6,975 divided by an assessment rate of 27.9% would determine an actual value of \$25,000.

2. Determine each partner's or shareholder's distributive or pro rata share of the actual value of the business personal property taxed.
3. For each nonresident partner or shareholder included in a composite return, determine the allowable credit amount, which is equal to the tax on up to \$18,000 of the actual value of the business personal property.
  - a. If the nonresident partner's or shareholder's share of the actual value is less than or equal to \$18,000, their credit is equal to their share of the tax assessment.
  - b. If their share of the actual value is more than \$18,000, use this formula:

$$\text{Credit} = \frac{\$18,000}{\text{Actual Value}} * \text{Tax Assessment}$$

For example, if a nonresident partner's share of the actual value is \$25,000 and their share of the tax assessment is \$2,000, then \$18,000 divided by an actual value of \$25,000 and multiplied by a \$2,000 tax assessment would result in a credit of \$1,440.

**You must include a copy of your property tax statement for property tax paid in 2024 with this schedule.**

### **Line 29 Innovative Motor Vehicle and Innovative Truck Credits for a Vehicle You Purchased or Leased**

Complete and submit the Innovative Motor Vehicle Credit and Innovative Truck Credit form (DR 0617) for each qualifying vehicle purchased by the partnership or S corporation, along with the required documentation. This line 29 is the sum of the credits claimed on line 10 of the DR 0617 forms submitted with this schedule. If the credit was assigned to the partnership or S corporation, do not enter the amount of the assigned credit on this line. Instead, complete form DR 0619. For more information, refer to *Income Tax Topics: Innovative Motor Vehicle Credit* and *Income Tax Topics: Innovative Truck Credit*, available online at [Tax.Colorado.gov/guidance-publications](https://tax.colorado.gov/guidance-publications).

### **Line 30 Refundable Enterprise Zone Credits**

Complete the Certified Economic Development Credit Schedule (DR 1366) and enter the amount from lines 27 and 28 on this line **30**. 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](https://oedit.colorado.gov/employee-ownership-tax-credit).

### **Line 32 SALT Parity Act Credit**

If this partnership or S corporation is itself a partner in another partnership (a “lower-tier partnership”), enter on line 32 the total of the amounts shown on lines 16 and 25 of any Colorado K-1 received by the partnership or S corporation from lower-tier partnerships. Include copies of those Colorado K-1 forms with this schedule.

Report each partner’s or shareholder’s allocation of the credit on this line 32 on line 25 of their Colorado K-1 and not on line 16 of the Colorado K-1.

If the partnership or S corporation is not a partner in a lower-tier partnership or does not receive a Colorado K-1 reporting any amounts for the partnership or S corporation on lines 16 or 25, do not report any amounts on line 32 of form DR 0106CR.

### **Line 33 Alternative Transportation Options Credit**

An income tax credit is available to certain employers that provide alternative transportation options to their employees working in Colorado for going to and returning from their places of employment. The amount of the credit is 50% of the amount spent by the employer to provide alternative transportation options with a maximum credit of \$125,000 per tax year. Credit is not allowed for any amount spent in excess of \$2,000 for any one employee. Prior to earning this credit, employers must file an annual employer plan report on form DR 1323. The form DR 1323 plan report should not be filed with this return. Information regarding the credit is available in *Income Tax Topics: Alternative Transportation Options Credit* and at [Tax.Colorado.gov/alternative-transportation-option-tax-credit](http://Tax.Colorado.gov/alternative-transportation-option-tax-credit).

### **Line 34 Refundable Residential Energy Storage Systems Credit**

A refundable income tax credit is available for partnership or S corporation contractors or other sellers who installed qualifying residential energy storage systems into residential buildings in Colorado and that were assigned the credit by the building owner. **The credit is only refundable if it is assigned to the partnership or S corporation.** The amount of the credit is the amount calculated on Line 10 of the Residential Energy Storage System Credit Eligibility Certification and Assignment Election (DR 1307). If the credit was not assigned to the partnership or S corporation, the credit must be claimed on Line 26 of this form DR 0106CR.

### **Line 35 Heat Pump Credit for Registered Contractors**

The amount of the credit is the amount calculated on Line 7 of the Heat Pump Tax Credit for Registered Contractors Worksheet (DR 1322). For information about the credit, please visit [EnergyOffice.Colorado.gov/hptc](http://EnergyOffice.Colorado.gov/hptc).

### **Line 36 Colorado Film Incentive Credit**

Submit a copy of the credit certificate issued by the Colorado Office of Film, Television and Media. For information about the credit, please visit [OEDIT.Colorado.gov/colorado-film-incentive](http://OEDIT.Colorado.gov/colorado-film-incentive).

### **Line 37 Food Accessibility Credit, certified by the Department of Agriculture**

Submit a copy of the credit certificate issued by the Colorado Department of Agriculture. For information about the credit, please visit [AG.Colorado.gov/markets/markets-funding/community-food-access-program](http://AG.Colorado.gov/markets/markets-funding/community-food-access-program).

### **Line 38 Certified Greenhouse Gas Avoidance Credits**

Submit a copy of the credit certificate issued by the Colorado Energy Office. Enter on this line any of the following credits certified by the Colorado Energy Office:

- Industrial Clean Energy Credit
- Geothermal Energy Expenditure Credit
- Geothermal Energy Production Credit



- Sustainable Aviation Fuel Production Credit
- Clean Hydrogen Credit

For information about the Industrial Clean Energy Credit and Geothermal Energy Credits, please visit [EnergyOffice.Colorado.gov/citco](https://EnergyOffice.Colorado.gov/citco) and [EnergyOffice.Colorado.gov/geothermal-tax-credit](https://EnergyOffice.Colorado.gov/geothermal-tax-credit).

**Line 39 Electric-Powered Lawn Equipment Credit for Qualified Retailers**

For information about the credit, please see Department publication Income Tax Topics: Electric-Powered Lawn Equipment Credit, available online at [Tax.Colorado.gov/guidance-publications](https://Tax.Colorado.gov/guidance-publications).

**Line 40 Total Credits**

Sum lines 5 through 39 for columns A, B, and C and enter the totals on this line 40. Enter the amount, if any, in column C of this line 40 on line 14 of form DR 0106.





240106CR19999



## 2024 Colorado Partnership and S Corporation Credit Schedule

Organization Name		Colorado Account Number (CAN)			
<b>Credit Recapture</b>					
1. Recapture of prior year credits. ● 1				00	
<b>Credit for Tax Paid to Another State</b>					
2. Name of other state. ● 2					
3. Total income from sources in the other state. ● 3				00	
		● A. Tax Paid		● B. Tax Allocated to Partners or Shareholders <b>not</b> included in this composite	
				● C. Tax Allocated to Partners or Shareholders included in this composite	
4. Tax liability to other state. ● 4		00		00	
<b>Nonrefundable Credits</b>					
		● A. Credit Available		● B. Credit allocated on forms DR 0106K	
				● C. Credit applied toward tax on composite return	
5. Child care contribution credit, you must submit the DR 1317 with your return. ● 5		00		00	
6. 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. ● 6		00		00	
7. 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. ● 7		00		00	
8. School-to-career investment credit, you must submit your certification letter with your return. ● 8		00		00	
9. Colorado works program credit, you must submit a copy of the letter from the county Department of Social/Human Services with your return. ● 9		00		00	
10. Remediation of Contaminated Land Credit, you must submit a copy of the CDPHE certification and DR 0349 with your return. ● 10		00		00	





240106CR29999

Name of Organization (match page 1)		CAN (match page 1)			
	● A. Credit Available	● B. Credit allocated on forms DR 0106K		● C. Credit applied toward tax on composite return	
11. Colorado job growth incentive credit, you must submit certification from the OEDIT with your return. ● 11	00		00		00
12. Advanced Industry Investment credit, you must submit a copy of the certification with your return. ● 12	00		00		00
13. Certified Colorado Disability Funding Committee License Fee credit, you must submit a copy of the certification with your return. ● 13	00		00		00
14. Nonrefundable Enterprise Zone credits from the DR 1366 lines 25 and 26, you must submit the DR 1366 with your return. ● 14	00		00		00
15. CHIPS Zone Credits from the DR 1370 lines 21 and 22, you must submit the DR 1370 with your return. ● 15	00		00		00
16. Affordable housing credit, you must submit the CHFA certification with your return. ● 16	00		00		00
17. 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. ● 17	00		00		00
18. If you are claiming the Preservation of Historic Structures credit enter your credit certificate number issued by OEDIT or History Colorado. ● 18					
19. Rural Jump Start Zone credit, you must submit certificate from OEDIT AND the DR 0113 with your return. ● 19	00		00		00
20. Strategic Capital Tax Credit from DR 1330, you must submit the DR 1330 with your return. ● 20	00		00		00
21. Credit for employer contributions to employee 529 plan, you must submit the DR 0289 with your return. ● 21	00		00		00
22. Credit for employer paid leave of absence for live organ donation. Employer must complete and submit form DR 0375 with their return. ● 22	00		00		00
23. Homeless Contribution Credit, you must submit certificate (to substantiate your contribution). ● 23	00		00		00
24. If you are claiming a Homeless Contribution Credit, enter your credit certificate number. ● 24					
25. Employer Assistance for Home Purchase Credit. ● 25	00		00		00
26. Nonrefundable Residential Energy Storage Systems Credit from line 3 of DR 1307, which you must submit with your return. ● 26	00		00		00
27. Enterprise Zone Contribution Credit, you must submit the certificate from OEDIT with your return. ● 27	00		00		00



240106CR39999

Name of Organization (match page 1)		CAN (match page 1)			
		● A. Credit Available		● B. Credit allocated on forms DR 0106K	● C. Credit applied toward tax on composite return
<b>Refundable Credits</b>					
28. Business Personal Property credit - use the calculation 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 for a vehicle you purchased or leased 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 lines 27 and 28, 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. SALT Parity Act Credit (see instructions). ● 32		00		00	00
33. Alternative Transportation Options Credit. ● 33		00		00	00
34. Refundable Residential Energy Storage Systems Credit (assigned to you by the building owner) from line 10 of DR 1307, which you must submit with your return. ● 34		00		00	00
35. Heat Pump Credit for Registered Contractors from DR 1322, line 7. ● 35		00		00	00
36. Colorado Film Incentive Credit. ● 36		00		00	00
37. Food Accessibility Credit, certified by the Department of Agriculture. ● 37		00		00	00
38. Certified Greenhouse Gas Avoidance Credits, you must submit certificate(s) from the Colorado Energy Office with your return. ● 38		00		00	00
39. Electric-Powered Lawn Equipment Credit for qualified retailers. ● 39		00		00	00
40. Total credits, sum of lines 5 through 39, exclude the certificate numbers on lines 18 and 24. Enter here and transfer the amount in Column C to line 14 on the DR 0106 composite return. ● 40		00		00	00







Official State of  
Colorado Publication



**GO GREEN! GO ONLINE!**

**Tax.Colorado.gov**

FIND } FILE } CONNECT



**Forms, Information and e-Services**

**Find Information**

- ➔ Review tax publications
- ➔ Learn how to file and pay
- ➔ Download forms
- ➔ View Tax Policy and Research resources

**Colorado.gov/RevenueOnline**

**Manage your Account**

- ➔ File a return
- ➔ Make a payment
- ➔ View letters and bills
- ➔ Send a Secure Message to the department

More services and information available. GO ONLINE TODAY!

Guidance Publications are available at [Tax.Colorado.gov](http://Tax.Colorado.gov)