COMPUTATION OF PENALTY DUE BASED ON UNDERPAYMENT OF COLORADO INDIVIDUAL ESTIMATED TAX

Taxpayer's Name	Security Number							
EXCEPTION NO. 1. If at least two-thirds of your gross 2003 income is from farming or fishing and you file your 2003 return and pay the full amount of tax due on or before March 1, 2004, you are not subject to the estimated tax penalty.								
EXCEPTION NO. 2.								
Enter your 2003 tax liability (including alternative minimum tax and any credit recapture) after reduction for								
all credits other than withholding tax and estim	\$							
2. (a) Statutory exemption	\$ 1,000.00							
(b) 2003 Colorado income tax withheld	\$							
(c) Total of lines 2(a) and 2(b)	\$							
3. Line 1 minus line 2(c). If 2(c) is larger, enter 0	\$							
REQUIRED ANNUAL PAYMENT								
4. (a) Enter your 2003 tax liability (including alte	4. (a) Enter your 2003 tax liability (including alternative minimum tax and any credit recapture) after reduction							
for all credits other than withholding tax a								
(b) Enter 70% of the amount on line 4(a)								
5. (a) Enter your 2002 tax liability (including alte			,					
for all credits other than withholding tax a				\$				
(b) If your 2002 federal adjusted gross inconfiling separate), enter 10% of line 5(a). If the separate is a separate in the separate is a separate in the separate is a separate in the separate in the separate is a separate in the separate in the separate is a separate in the se	_			\$				
(c) Enter total of lines 5(a) and 5(b)								
6. Required payment. Enter the smaller of lines								
	(-, -: - (-, -: -: -: -: -: -: -: -: -: -: -: -: -:							
DART 2 RENALTY COMPUTATION		PAVMENT	DUE DATES					
PART 3 PENALTY COMPUTATION	APRIL 15, 2003	JUNE 16, 2003	SEPT 15, 2003	JAN 15, 2004				
7. Divide the amount on line 6 by four. Enter the	\$	\$	\$	\$				
result in the appropriate columns								
8. Amounts paid in estimated tax	\$	\$	\$	\$				
9. Amount of tax withheld	\$	\$	\$	\$				
10. Overpayment (on line 12) from		¢	\$	\$				
previous period		Ψ	Ψ	Ψ				
11. Total of lines 8, 9, and 10	•	\$	\$	\$				
12. Underpayment (line 7 minus line 11) or	Ψ	Ψ	Ψ	Ψ				
- coverpayment (line 7 minus line 11) of soverpayment (line 11 minus line 7)	\$	\$	\$	\$				
13. Date of payment or December 31, 2003,	Ψ	Ψ	Ψ					
whichever is earlier								
14. Number of days from due date of								
payment to date on line 13								
15. Underpayment on line 12 times 8% times								
number of days on line 14 divided by 365	\$	\$	\$					
16. Date of payment or April 15, 2004,								
whichever is earlier								
17. Number of days from December 31, 2003								
or due date of payment, whichever is later,								
to date on line 16								
18. Underpayment on line 12 times 7% times								
number of days on line 17 divided by 366	\$	\$	\$	\$				
19. Total penalty. Add all amounts on lines 15								
and 18. Include this amount as estimated tax penalty on line 44 Form 104\$								

PART 4 ANNUALIZED INSTALLMENT METHOD SCHEDULE						
20. Ending date of annualization period	MARCH 31, 2003	MAY 31, 2003	AUGUST 31, 2003	DECEMBER 31,2003		
21. Colorado taxable income computed through the date on line 20	\$	\$	\$	\$		
22. Annualization factor	4	2.4	1.5	1		
23. Annualized taxable income Line 21 times line 22	\$	\$	\$	\$		
24. Annualized Colorado tax Line 23 times 4.63%	\$	\$	\$	\$		
Applicable percentage	17.5%	35%	52.5%	70%		
Line 24 times line 25, minus amounts entered on line 26 in earlier quarters.						
Enter here and on line 7	\$	\$	\$	\$		

INSTRUCTIONS FOR FORM 204

Part 1

Generally you are subject to an estimated tax penalty if your 2003 estimated tax payments are not paid in a timely manner. The estimated tax penalty will not be assessed if either of the exceptions are met.

Part 2

The required annual amount to be paid is the lesser of:

- 1. 70% of actual 2003 net Colorado tax liability.
- 2. 100% of preceding year's net Colorado tax liability. (This amount only applies if the preceding year was a 12-month tax year, the individual filed a Colorado return and the federal adjusted gross income for the preceding year was \$150,000 or less, \$75,000 or less if married separate.)
- 3. 110% of preceding year's net Colorado tax liability. (This amount only applies if the preceding year was a 12-month tax year and the individual filed a Colorado return.)

Part 3

If none of the exceptions apply to you, compute your penalty on lines 7 through 19 of Form 204. Complete each column before going on to the next column. See FYI Income 51, Estimated Income Tax, regarding estimated tax payment allocation on line 8. The amount entered on line 10 is the net overpayment from the preceding period. On line 17, if the payment was made prior to January 1, 2004, enter "0." If the tax return is filed and any tax due is paid by January 31, 2004, no penalty will be computed in column four. Estimated tax payments from a farmer or fisherman are due in a single payment by January 15, 2004 and only column four is used to compute the penalty.

Part 4

Taxpayers who do not receive income evenly during the year may elect to use the annualized income installment method to compute their estimated tax payments if they elect annualized installments for the payment of their federal income tax. Complete the annualized installment method schedule to compute the amounts to enter on line 7. See FYI Income 51 regarding this computation method.

Example: Taxpayer's net tax liability for 2003 is \$10,000. He had \$1,000 withholding and none of the exceptions apply. He paid \$4,000 on June 12, 2003, and made no additional estimated tax payments.

А	PRIL 15	JUNE 16	SEPT 15	JAN 15
Line 7		\$1,750	\$1,750	\$1,750
Line 8	\$0	\$4,000	\$0	\$0
Line 9	\$250	\$250	\$250	\$250
Line 10	_	_	\$1,000	**
Line 11	\$250	\$4,250	\$1,250	\$250
Line 12	\$1,500	\$(2,500)	\$500	\$1,500
Line 13	6/12/03	6/12/03	12/31/03	_
Line 14	58	_	107	_
Line 15	\$19.07	_	\$11.73	_
Line 16	6/12/03	6/12/03	4/15/04	4/15/04
Line 17	0	0	106	91
Line 18	0	0	\$10.14	\$26.11
Line 19				\$67.05
**	luna 10 l	Doumant	\$4000	
	** June 12 Payment		\$4000	
	April withholding		250	
	June withholding		<u>250</u>	
			A	

\$1750

1750

April installment

June installment

Overpayment to Sept.

\$4500

3500

\$1000