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

| Taxı | payer's Name | Social Security Number | | | | | | |
|--|--|------------------------|---------------|------------|-----|-------------------------|--|--|
| EXCEPTION NO. 1. If at least two-thirds of your gross 2001 income is from farming and you will file your 2001 return and pay the full amount of tax due on or before March 1, 2002, you are not subject to the estimated tax penalty. | | | | | | | | |
| E | (CEPTION NO. 2. | | | | | | | |
| 1 | Enter your 2000 tax liability (including alternation | | | | | all credits other than | | |
| _ | withholding tax, estimated tax payments and | | 4 000 00 | | | | | |
| 2 | (a) Statutory exemption | | 1,000.00 | | | | | |
| | (b) 2001 Colorado income tax withheld | | | | | | | |
| | (c) 2001 estimated tax payments and credits | | | | | | | |
| | (d) 2001 state sales tax refund | | | | | | | |
| 2 | (e) Total of lines 2(a), (b), (c) and (d) | | | | | | | |
| | | · | | | | | | |
| | CEPTION NO. 3. (a) Enter your 2001 tax liability (including alte than withholding tax, estimated tax payments). | | | | | n for all credits other | | |
| | (b) Enter 70% of the amount on line 4(a) | | | | | | | |
| 5 | 5. Enter amount from line 2(e) | | | | | | | |
| | Line 4(b) minus line 5. If 5 is larger, enter 0 ar | | | | | | | |
| | | , , | . , | | | | | |
| CC | MPUTATION OF PENALTY | | DAMAENT | DUE DATEO | | | | |
| | | | | DUE DATES | | | | |
| 7. | Divide the amount on line 4(b) by the number | APRIL 16, 2001 | JUNE 15, 2001 | SEPT 17, 2 | 001 | JAN 15, 2002 | | |
| | of payments required for the year. Enter the | | | | | | | |
| | result in the appropriate columns | \$ | \$ | \$ | | \$ | | |
| 8. | Amounts paid on estimated tax, tax with- | | | | | | | |
| | held, state sales tax refund and prorated | | | | | | | |
| | statutory exemption | \$ | \$ | \$ | | \$ | | |
| 9. | Overpayment (on line 11) from | | • | <u> </u> | | * | | |
| | previous period | | \$ | \$ | | \$ | | |
| 10. | Total lines 8 and 9 | | | | | | | |
| | | \$ | \$ | \$ | | \$ | | |
| 11. | Underpayment (line 7 minus line 10) or | <u></u> | ¢. | • | | • | | |
| | <pre><overpayment> (line 10 minus line 7)</overpayment></pre> | Φ | \$ | \$ | | | | |
| 12. | Date of payment or December 31, 2001, | | | | | | | |
| | whichever is earlier | | | | | | | |
| 13 | Number of days from due date of | | | | | | | |
| | payment to date on line 12 | | | | | | | |
| 14 | Underpayment on line 11 times 13% times | \$ | \$ | \$ | | | | |
| 17. | number of days on line 13 divided by 365 | | | | | | | |
| 15 | - | | | | | | | |
| 15. | Date of payment or April 15, 2002, | | | | | | | |
| 40 | whichever is earlier | | | | | | | |
| 10. | Number of days from December 31, 2001 | | | | | | | |
| | or due date of payment, whichever is later, | | | | | | | |
| 4- | to date on line 15 | | | | | | | |
| 17. | Underpayment on line 11 times 10% times | \$ | \$ | \$ | | \$ | | |
| | number of days on line 16 divided by 365 | | | | | | | |
| 18. | Total penalty. Add all amounts on lines 14 | | | | | | | |
| | and 17. Include this amount as estimated tax | penalty on line 62 Fo | orm 104 | | | | | |
| | | | | | | | | |

INSTRUCTIONS FOR FORM 204

Generally you are subject to an estimated tax penalty if your 2001 tax liability after reduction for all credits other than estimated tax, withholding tax credits, and the state sales tax refund exceeds your 2001 withholding tax credits and sales tax refund by \$1000 or more. However, there are several exceptions to this rule.

You will not be subject to the penalty if at least two-thirds of your gross income for 2001 was from farming and your income tax return is filed and your balance of tax due is paid on or before March 1, 2002.

You will not be subject to the penalty if the total of your estimated tax payments and credits, your tax withheld for 2001, your state sales tax refund and your statutory exemption equals or exceeds your 2000 tax liability after reduction by all credits other than estimated tax, withholding tax, and the state sales tax refund.

You will not be subject to the penalty if the total of your estimated tax payments and credits, your tax withheld for 2001, your state sales tax refund and your statutory exemption equals or exceeds 70% of your 2001 tax liability after reduction by all credits other than estimated tax, withholding tax, and the state sales tax refund.

If none of these exceptions apply to you, compute your penalty on lines 7 through 18 of Form 204. Complete each column before going on to the next column. The amount to be entered on line 9 is the net overpayment from the preceding period. On line 16, if payment was made prior to January 1, 2002, enter "0."

If a due date falls on a Saturday, Sunday or legal holiday, payment on the next business day qualifies as having been made on the due date.

Example: Taxpayer's net tax liability for 2001 is \$10,000. He had no withholding, did not qualify for the state sales tax refund and none of the exceptions apply. He paid \$4,000 on June 12, 2001, and made no additional estimated tax payments.

| A | PRIL 16 | JUNE 15 | SEPT 17 | JAN 15 |
|---------|---------|-----------|----------|----------|
| Line 7 | \$1,750 | \$1,750 | \$1,750 | \$1,750 |
| Line 8 | \$250 | * \$4,250 | \$250 | \$250 |
| Line 9 | 0 | 0 | \$1,000 | ** 0 |
| Line 10 | \$250 | \$4,250 | \$1,250 | \$250 |
| Line 11 | \$1,500 | \$(2,500) | \$500 | \$1,500 |
| Line 12 | 6/12/01 | 6/12/01 | 12/31/01 | 12/31/01 |
| Line 13 | 57 | _ | 105 | _ |
| Line 14 | \$30.45 | _ | \$18.70 | _ |
| Line 15 | 6/12/01 | 6/12/01 | 4/15/02 | 4/15/02 |
| Line 16 | 0 | 0 | 105 | 90 |
| Line 17 | 0 | 0 | \$14.38 | \$36.99 |
| Line 18 | | | | \$100.52 |

^{*} Prorated exemption, \$1,000 ÷ 4 = \$250.

| ** | June 12 Payment | | \$4000 |
|----|---------------------|-------------|-------------|
| | April exemption | | 250 |
| | June exemption | | <u>250</u> |
| | | | \$4500 |
| | April installment | \$1750 | |
| | June installment | <u>1750</u> | <u>3500</u> |
| | Overpayment to Sept | \$1000 | |