COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0006

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C-CORPORATION INCOME TAX FORMS AND INSTRUCTIONS FOR 2004

1. First fill out your federal income tax return — U.S. Form 1120, or 1120A. You will need information from your federal return to complete your Colorado return.
2. If you owe the state, make your check or money order payable to the Colorado Department of Revenue. Please print the corporation's Colorado account number and "Form 112" on the check or money order.
3. Mail the return to the Colorado Department of Revenue, Denver, Colorado 80261-0006. Returns are due to be filed three and one-half months after the close of the taxable year.

CONTENTS: Colorado C corporation income tax return, Form 112 • Corporation credit schedule, Form 112-CR • Payment voucher for extension of time for filing, Form DR 158-C

EXTENSION OF TIME FOR FILING A COLORADO C CORPORATION INCOME TAX RETURN

Colorado income tax returns are due to be filed three and one-half months after the close of the tax year.

An automatic six-month extension of time for filing the Colorado corporation income tax return is allowed for all taxpayers. However, an extension of time to file is not an extension of time to pay the tax. If at least 90% of the net tax liability is not paid by the original due date of the return, penalty and interest will be assessed. If 90% or more of the net tax liability is paid by the original due date of the return and the balance is paid when the return is filed by the last day of the extension period, only interest will be assessed.

Form DR 158-C is to be used to make whatever payment must be made by the original due date of the return to meet the 90% requirement.

If after the original due date of the return it is found that the amount paid is insufficient to meet the 90% requirement, additional payment should be made as soon as possible to reduce further accumulation of penalty and interest. Make such payment on form 158-C.

A federal extension of time for filing will not be accepted for Colorado purposes.

Submit Form DR 158-C with payment to: Colorado Department of Revenue,
Denver, Colorado 80261-0008.

DO NOT SUBMIT FORM DR 158-C WITHOUT A PAYMENT.

DETACH FORM ON THIS LINE

▼ **RETURN ONLY THE LOWER PORTION OF THIS FORM WITH YOUR PAYMENT** ▼

(29)
Form DR 158-C
www.taxcolorado.com

PAYMENT VOUCHER FOR EXTENSION OF TIME FOR FILING A COLORADO C CORPORATION INCOME TAX RETURN

70

For tax period beginning _____ , ending _____ .

Corporation Name	Colorado Account Number
Address	Federal Employer Identification Number
City, State, ZIP Code	

IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM.

If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

AMOUNT OF PAYMENT

DO NOT WRITE IN SPACE BELOW

(08) $ • 0 0

INSTRUCTIONS FOR 2004 COLORADO C CORPORATION INCOME TAX RETURN, FORM 112
(S CORPORATIONS FILE FORM 106)

FILING REQUIREMENTS

Every corporation doing business in Colorado or deriving income from Colorado sources must file a corporation income tax return with Colorado. Any corporation that is exempt from federal income tax is exempt from Colorado income tax and from filing a Colorado income tax return except that it shall not be so exempt if it must file a federal return of unrelated business income. Any insurance company subject to the tax imposed on gross premiums by section 10-3-209, C.R.S. is exempt from the Colorado income tax and from filing Colorado income tax returns.

TIME AND PLACE FOR FILING

Returns are due on the 15th day of the fourth month following the close of the taxable year. A corporation is granted an automatic six month extension of time for filing. See Form DR 158-C for more information on an extension.

Mail your return to: Colorado Department of Revenue, Denver, Colorado 80261-0006.

DECLARATION OF ESTIMATED TAX

Every C corporation subject to the Colorado income tax must file a declaration of estimated income tax, Form 112 EP, if its tax liability is expected to exceed $5,000 plus estimated credits.

ADDITIONAL INFORMATION AVAILABLE

Forms, FYIs, an income tax index and other information are available at *www.taxcolorado.com* or you can call for information at (303) 238-SERV (7378).

ACCOUNTING PERIOD AND METHOD

The corporation's accounting period and method for Colorado income tax purposes must be the same as for federal income tax purposes.

CONSOLIDATED RETURNS

A consolidated Colorado income tax return may be filed for those corporations which: (a) were members of an affiliated group of corporations as defined in section 1504 of the internal revenue code; and (b) were doing business in Colorado during the tax year.

The making of a consolidated return requires all such corporations that were members of the affiliated group at any time during the tax year consent to be included in such return. The making of a consolidated return shall be considered as consent. Such election may not be revoked in less than four years unless approved by the executive director.

COMBINED RETURNS

See page 6 of this booklet

INSTRUCTIONS FOR COMPLETING FORM 112

Enter on line 1 of page 1, the federal taxable income (or loss) from federal Form 1120 or 1120A.

ADDITIONS AND SUBTRACTIONS

Enter on line 2 any federal net operating loss deduction claimed in the computation of the federal taxable income.

Enter on line 3 any Colorado income tax claimed as a deduction in the computation of the federal taxable income.

Enter on line 4 all interest income (less bond premium amortization) of the corporation from state or municipal obligations that is not included in federal taxable income. Do not include interest income from any bond or other obligation of the State of Colorado or a political subdivision thereof issued on or after May 1, 1980. See FYI Income 52.

The interest to be entered on line 4 shall be net of any expense required to be allocated thereto by the Internal Revenue Code for federal income tax purposes.

Enter on line 4 any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States that were claimed as a deduction on the federal return.

Enter on line 4 any charitable contribution deduction claimed in 2004 for the donation of a conservation easement that qualified for the gross conservation easement credit.

Enter on line 6, to the extent included in federal taxable income, any United States government bond interest and any interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the United States to the extent such interest or dividend income is exempt from state taxation by federal law.

Enter on line 7, to the extent included in federal taxable income, that part of foreign income that qualifies as excludable foreign source income. Excludable foreign source income means taxable income from sources without the United States as used in section 862 of the Internal Revenue Code to the extent such income is excluded from Colorado taxable income and from the computation of the Colorado revenue factor or the Colorado sales factor.

If for federal income tax purposes the corporation has elected to claim foreign taxes paid or accrued as a deduction, excludable foreign source income shall be an amount equal to such deduction.

If for federal income tax purposes the corporation has elected to claim foreign tax paid or accrued as a credit, excludable foreign source income shall be an amount equal to foreign source income (excluding section 78 dividend gross up) multiplied by a fraction, the numerator of which is the federal foreign tax credit, and the denominator of which is the foreign source income (including section 78 dividend gross up) times the effective federal corporation income tax rate (federal corporate income tax divided by federal corporate taxable income).

Excludable foreign source income may not exceed total foreign source income excluding section 78 dividend gross up.

Foreign source income from a foreign corporation within an affiliated group of corporations shall be determined without regard to section 882(a)(2) of the internal revenue code.

Enter on line 8, to the extent included in federal taxable income, the amount of capital gain income earned from:

- The sale of real or tangible personal property located in Colorado, or
- The sale of stock or an ownership interest in a Colorado company that has 50% or more of its property and payroll within Colorado,

that was acquired on or after May 9, 1994 and held continuously for at least five years prior to the date of the transaction from which the capital gains arise. You must attach Form DR1316 to the return to explain how these assets qualify for the subtraction. See FYI Income 15 for details.

Enter on line 9, to the extent included in federal taxable income, any refund of Colorado income tax.

Enter on line 9 any amount included in federal taxable income by reason of the gross-up provisions of section 78 of the Internal Revenue Code.

Enter on line 9 the amount of any salary or wage expense not allowed as a deduction on the federal income tax return due to the provisions of the Indian employment credit, work opportunity credit, empowerment zone employment credit, orphan drug credit, or credit for increasing research activities.

Enter on line 11 the net amount of line 5 minus line 10. This is the modified federal taxable income that will be the Colorado taxable income to be entered on line 12 for those corporations not permitted to apportion income away from Colorado. For those corporations that do apportion income, enter the amount from line 11 on line 1 of Schedule A or on line 6 of Schedule B.

APPORTIONMENT OF INCOME – SCHEDULE A

A bank, savings and loan, credit union, or other entity making or purchasing loans whose only business activity within Colorado is the ownership of property acquired through the process of foreclosure, or which was obtained through a procedure exercised in lieu of the entity exercising its right to foreclose, which property is later disposed of within twenty-four months after obtaining ownership, shall directly allocate net income from such property during such time period and any gains or losses realized from the sale of such foreclosed property to the state where the property is located. Such limited activities shall not render the bank, etc. subject to the apportionment provisions following.

Every corporation doing business in more than one state, including Colorado, has an annual election to apportion income by use of Schedule A, the method prescribed by the Colorado income tax act; or by use of Schedule B, the Multistate Compact apportionment schedule. The election for any given year may not be changed after the due date of the return or the date the return is filed, whichever is later. Income may not be apportioned in any other manner without written permission from the executive director of the Department of Revenue.

Instructions for Schedule B are on page 11. The following instructions are for Schedule A.

For purposes of apportioning income under the Colorado income tax act, "doing business" in a state is defined as having income arising from the activity of one or more employees located in that state; or arising from the fact that real or tangible personal property is located in that state for business purposes; or both. A corporation will be deemed to be doing business in a state if it is engaged in any activities within the state which are beyond the protection afforded by Public Law 86-272.

If the corporation qualifies to apportion income and the income is to be apportioned under the Colorado income tax option, enter on line 1 of Schedule A the modified federal taxable income from line 11, page 1 of the return.

Under the Colorado income tax act, all income is to be apportioned by the application of the average of a property factor and a revenue factor. No income is directly allocated to its source.

The revenue factor is a fraction, the numerator of which is the gross receipts assignable to Colorado and the denominator of which is the entire gross receipts of the corporation from all sources during the tax period.

Gross receipts assignable to Colorado means:

(a) Sales, where the goods, merchandise, or property is delivered or shipped to a purchaser within Colorado, regardless of the f.o.b. point, other condition of sale, or the taxability of the corporation in the state or foreign country in which the goods are shipped or delivered,

(b) Revenue from services rendered in Colorado,

(c) Rents and royalties from real and tangible personal property located in Colorado exclusive of the subrentals used to compute the property factor,

(d) Gross proceeds from the sale of real and tangible personal property located in Colorado other than those sales included in (a) above,

(e) Gain from the sale of intangible personal property if the corporation's commercial domicile is in Colorado. Note — the gross receipts regarding the sale of intangible assets is the gain from the sale and not the selling price,

(f) Interest and dividend income to the extent included in total modified federal taxable income if the corporation's commercial domicile is in Colorado, and

(g) Patent and copyright royalties if, and to the extent that, the patent or copyright is utilized by the payer in Colorado. A patent is utilized in a state to the extent that a patented product is produced in the state. If the basis of the receipts from the patent royalties cannot be reasonably assigned to states or if the accounting procedures do not reflect the states of utilization, the patent is utilized in the state in which the corporation's commercial domicile is located. A copyright is utilized in a state to the extent that printing or

other publication originates in the state. If the basis of receipts from copyright royalties cannot be reasonably assigned to states or if the accounting procedures do not reflect the state of utilization, the copyright is utilized in the state in which the corporation's commercial domicile is located.

Commercial domicile means the principal place from which the trade or business of the corporation is directed or managed.

The property factor is a fraction, the numerator of which is the average value of the corporation's real and tangible personal property, whether owned or rented, in Colorado during the tax period and the denominator of which is the average value of all the corporation's real and tangible personal property, whether owned or rented, during the tax period.

Property owned by the corporation may be valued at its original cost or at its adjusted basis for federal income tax purposes, but written permission must be secured from the Department of Revenue to change from one method to the other. Real property rented by the corporation is valued at eight times the net annual rental rate. Tangible personal property rented by the corporation is valued at three times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less any annual rental rate received by the corporation from subrentals.

If these apportionment provisions do not fairly measure the corporation's income from Colorado sources, the corporation may petition for or the executive director may require, if reasonable: separate accounting; the exclusion of one of the factors; the inclusion of one or more additional factors; or the employment of any other method to effectuate an equitable apportionment of the corporation's income.

In the case of two or more corporations owned or controlled directly or indirectly by the same interest, the Department of Revenue may distribute or allocate the gross income and deductions between or among such corporations in order to clearly reflect income.

OPERATING LOSS DEDUCTION

Enter on line 13 of page 1, the Colorado net operating loss deduction. The Colorado net operating loss deduction is computed in the same manner as is the federal net operating loss deduction except that in the case of a corporation apportioning income, it is that part of the federal net operating loss, as modified, that is from Colorado sources. Colorado operating losses may be carried forward 20 years for tax years beginning on or after August 6, 1997. They may not be carried back.

Federal limitations on carryover losses between predecessor and successor corporations apply for Colorado income tax purposes.

TAX

The Colorado tax rate is currently 4.63%. This represents a reduction in the rate from the 1999 rate of 4.75% and the 1998 rate of 5%.

CREDIT RECAPTURE

If the corporation is required to recapture federal investment credit with respect to Colorado assets, a recapture of the "old" Colorado investment credit may be required. Include any investment credit recapture, historic property preservation credit recapture, low income housing credit recapture or any other credit recapture on line 27 of Form 112. Attach a schedule to the return detailing the computation of the recapture amount.

TAX WITHHELD ON COLORADO REAL ESTATE SALES

If the corporation had Colorado tax withheld on the sale of Colorado real estate during the tax year, enter such withholding as an estimated tax payment on line 29.

PENALTIES AND INTEREST (LINES 30-32)

The delinquent filing or payment penalty (line 30) is 5% of the balance of tax due for the first month or fraction thereof plus an additional 1/2% for each additional month or fraction thereof, not exceeding 12% in the aggregate. The minimum penalty is $5.00.

Interest (line 31) accrues on any balance of tax due during 2005 at a rate of 4% per annum except that with respect to any assessment not paid within 30 days of date of billing, interest will be due at an 7% annual rate.

If the corporation is assessing itself an estimated tax penalty (line 32) attach a copy of Form 205 to the return.

Include penalty and interest amounts from lines 30-32 in the amount owed on line 33.

SIGNATURES

The law requires the return to be signed under the penalties of perjury by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act. In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns.

CHANGES IN FEDERAL INCOME

Any adjustment made by federal amended returns must be reported and the Colorado income tax adjusted accordingly on Form 112X, the amended corporation income tax return.

Likewise, any adjustments made by the Internal Revenue Service must be reported to Colorado on Form 112X. If the corporation operates in two or more states, to simplify the amended return filing requirement, the corporation can mail the revenue agent's report separately (must not be attached to the return) to the Colorado Department of Revenue, Denver, Colorado 80261-0005. Include the Colorado account number on the report.

The statute of limitations will not apply if the taxpayer fails to disclose any adjustments made on federal returns or fails to submit copies of the federal agent's reports.

COMBINED RETURNS

"Affiliated group" means one or more chains of includable corporations connected through stock ownership with a common parent corporation which is an includable corporation if:

(l) Stock possessing more than fifty percent of the voting power of all classes of stock and more than fifty percent of each class of the nonvoting stock of each of the includible corporations, except the common parent corporation, is owned directly by one or more of the other includible corporations; and

(2) The common parent corporation owns directly stock possessing more than fifty percent of the voting power of all classes of stock and more than fifty percent of each class of the nonvoting stock of at least one of the other includible corporations.

"Stock" as here used does not include nonvoting stock which is limited and preferred as to dividends; employer securities, within the meaning of section 409A(1) of the internal revenue code, while such securities are held under a tax credit employee stock ownership plan; or qualifying employer securities within the meaning of section 4975(e)(8) of the internal revenue code while such securities are held under an employee stock ownership plan which meets the requirements of section 4975(e)(7) of the internal revenue code.

"Includable corporation" means any corporation which has more than twenty percent of the corporation's property and payroll as determined by factoring pursuant to section 24-60-1301 C.R.S., assigned to locations inside the United States. (See Schedule B for information relative to section 24-60-1301 C.R.S., the apportionment of income under provisions of the multistate compact.)

Filing Combined Return–Requirements. In the case of an affiliated group of corporations, the executive director may require, or the taxpayer may file, a combined return, but such return shall include only those members of an affiliated group of corporations as to which any three of the following six facts have been in existence in the tax year and the two preceding tax years:

1. Sales or leases by one affiliated corporation to another affiliated corporation constitute fifty percent or more of the gross operating receipts of the corporation making the sales or leases; or, purchases or leases from one affiliated corporation by another affiliated corporation constitute fifty percent or more of the cost of goods sold or leased by the corporation making the purchases or leases. This paragraph 1 shall not apply to the following transactions between affiliated corporations; the issuance of commercial paper or other debt obligations and the use of the proceeds therefrom to make loans or to purchase receivables between affiliated corporations.

2. Five or more of the following services are provided by one or more affiliated corporations for the benefit of another affiliated corporation; advertising and public relations services; accounting and bookkeeping services; legal services; personnel services; sales services; purchasing services; research and development services; insurance procurement and servicing exclusive of employee benefit programs; and employee benefit programs including pension, profit sharing and stock purchase plans. A service shall be deemed provided if fifty percent or more of the service is provided without provision for an "arm's length charge" within the meaning of The United States Treasury regulation 1.482-2(b)(3).

3. Twenty percent or more of the long-term debt of one affiliated corporation is owed to or guaranteed by another affiliated corporation. Long-term debt means debt which becomes due more than one year after incurred.

4. One affiliated corporation substantially uses the patents, trademarks, service marks, logo-types, trade secrets, copyrights, or other proprietary materials owned by another affiliated corporation.

5. Fifty percent or more of the board of directors of one affiliated corporation are members of the board of directors or are corporate officers of another affiliated corporation.

6. Twenty-five percent or more of the twenty highest-ranking officers of one affiliated corporation are members of the board of directors or are corporate officers of another affiliated corporation.

Foreign Corporations. The executive director shall not require the inclusion in a combined return of the income of any corporation which conducts business outside the United States if eighty percent or more of the corporation's property and payroll, as determined by factoring pursuant to section 24-60-1301, C.R.S. (See Schedule B) is assigned to locations outside the United States (the fifty States and the District of Columbia).

Rules relating to income to be reported.

1. Dividends, which a corporation includable in a combined return receives from another corporation also includable in the combined return shall be excluded from taxable income.

2. The net income of the affiliated corporations which are to be included in a combined report shall be determined pursuant to the rules and regulations promulgated pursuant to section 1502 of the internal revenue code, as modified for Colorado income tax purposes.

3. At the election of the affiliated corporations to be included in the combined report, the apportionment rules shall be applied with the following modifications:

   (a) Intercompany transactions among the affiliated corporations shall be excluded from the numerator and denominator of the apportionment factor; and

   (b) The numerators of the apportionment factors shall be, to the extent applicable, the sum of the revenue, the sum of the property, and the sum of the payroll factors of those affiliated corporations subject to Colorado income tax under 15 U.S.C. 381-384, 391.

DEPARTMENTAL USE ONLY

DO NOT SEND FEDERAL RETURN, FORMS OR SCHEDULES WITH THIS RETURN.

(23)
2004 Form 112 Colorado State C Corporation Income Tax Return

For the tax year beginning _____ , 2004, ending _____ , 200_____ .

Name	Colorado Account Number ●
Address	Federal Employer Identification Number ●
City, State, ZIP Code	

ALL FILERS MUST COMPLETE LINES A-K AT THE TOP OF PAGE 2 OF THIS FORM ***ROUND ALL AMOUNTS TO THE NEAREST DOLLAR***

Business code number per federal return ●_____

Year corporation began doing business in Colorado ●_____

Make checks payable to and mail return to the COLORADO DEPARTMENT OF REVENUE DENVER CO 80261-0006

If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

Under penalties of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

1	Federal taxable income from Form 1120 or 1120A.	● 1	.00
	Additions (Lines 2-4) and subtractions (Lines 6-9) modifying federal taxable income:		
2	Federal net operating loss deduction	● 2	.00
3	Colorado income tax deduction	3	.00
4	Other additions, attach explanation	4	.00
5	Total of lines 1 through 4	● 5	.00
6	Exempt federal interest	6	.00
7	Excludable foreign source income	7	.00
8	Colorado source capital gain (acquired on or after 5/9/94, held five years)	● 8	.00
9	Other subtractions, attach explanation	● 9	.00
10	Total of lines 6 through 9	● 10	.00
11	Modified federal taxable income, line 5 minus line 10	● 11	.00
12	Colorado taxable income before net operating loss deduction	● 12	.00
13	Colorado net operating loss deduction	● 13	.00
14	Colorado taxable income, line 12 minus line 13	14	.00
15	**Tax**, 4.63% of the amount on line 14	■ 15	.00
16	New investment tax credit from Form 112CR	● 16	.00
17	Enterprise zone investment tax credit from Form 112CR	● 17	.00
18	Enterprise zone employee credits from Form 112CR	● 18	.00
19	Enterprise zone contribution credit from Form 112CR	● 19	.00
20	Other enterprise zone credits from Form 112CR	● 20	.00
21	Alternative fuel vehicle credit from Form 112CR	● 21	.00
22	Alternative fuel refueling facility credit from Form 112CR	● 22	.00
23	Gross conservation easement credit from Form 112CR	● 23	.00
24	Other credits from Form 112CR	● 24	.00
25	Total credits, lines 16 through 24	25	.00
26	Net tax, line 15 minus line 25	26	.00
27	Recapture of prior year credits	● 27	.00
28	Total of lines 26 and 27	28	.00
29	Estimated tax and extension payments and credits	● 29	.00
30	Penalty, also include on line 33 if applicable	● 30	.00
31	Interest, also include on line 33 if applicable	● 31	.00
32	Estimated Tax Penalty, also include on line 33 if applicable	● 32	.00
33	If amount on line 28 exceeds amount on line 29, enter amount owed	● 33	.00
34	Overpayment, line 29 minus line 28	34	.00
35	Overpayment to be credited to estimated tax	● 35	.00
36	Overpayment to be refunded	● 36	.00

Signature	Date	Name and telephone number of person or firm preparing return
Title		

DO NOT SEND FEDERAL RETURN, FORMS OR SCHEDULES WITH THIS RETURN.

● A. This return is being filed for:
☐ **(42)** A corporation not apportioning income;
☐ **(43)** A corporation doing an interstate business apportioning income under the Colorado Income Tax Act (Schedule A, Page 2);
☐ **(44)** A corporation doing an interstate business apportioning income under the Multistate Tax Compact (Schedule B, page 3);
☐ **(45)** A corporation electing to pay a tax on its gross Colorado sales;
☐ **(47)** Other, federal form filed _____

B. Is this a consolidated return? ☐ Yes ☐ No
C. Is this a combined return? ☐ Yes ☐ No
D. Is this a combined and consolidated return? ☐ Yes ☐ No
E. Enter:
Beginning inventory $_____
Ending inventory ● $_____
Beginning depreciable assets at cost $_____
Ending depreciable assets at cost ● $_____
F. The corporation's books are in care of:

Name		
Address		
City	State	ZIP
Telephone Number		

G. Kind of business in detail _____

● H. Has the Internal Revenue Service made any adjustments in the corporation's income or tax or have you filed amended federal income tax returns at any time during the last four years?____
● I. If so, for which year(s)?_____
J. Did you file amended Colorado returns to reflect such changes or submit copies of the Federal Agent's reports?_____
K. Is this corporation a member of an affiliated group as defined on Schedule C? _____ . If so, attach Schedule C.

Schedule A - APPORTIONMENT OF INCOME UNDER THE COLORADO INCOME TAX ACT FOR CORPORATIONS DOING BUSINESS BOTH WITHIN AND WITHOUT COLORADO *(FOR APPORTIONMENT OF INCOME UNDER THE MULTISTATE COMPACT, SEE SCHEDULE B, PAGE 3)*

1 Total modified federal taxable income from line 11, page 1, Form 112. 1

INCOME APPORTIONED TO COLORADO BY USE OF THE REVENUE FACTOR:

DO NOT INCLUDE FOREIGN SOURCE REVENUES MODIFIED OUT ON LINE 7, PAGE 1, FORM 112.

	Colorado	Total
2 Gross sales of goods, merchandise and property 2		
3 Gross revenue from services 3		
4 Gross rents and royalties from real and tangible personal property 4		
5 Gross sales of real and tangible personal property 5		
6 Gain from the sale of intangible personal property 6		
7 Taxable interest and dividend income 7		
8 Patent and copyright royalties 8		
9 Total revenue 9	●	●

10 Percentage line 9 (Colorado) to line 9 (Total) ● _____**% times** 1/2 **line 1, $** _____**equals**. 10

INCOME APPORTIONED TO COLORADO BY USE OF THE PROPERTY FACTOR:

	Colorado		Total	
	Beginning	Ending	Beginning	Ending
11 Inventories 11	●	●	●	●
12 Land 12				
13 Buildings and Equipment 13	●	●		
14 Other property, explain 14				
15 Total, lines 11 through 14 15	●	●	●	●

16 Average beginning and ending... 16		 16	
17 Leased real property 17		 17	
18 Leased tangible personal property 18		 18	
19 Total lines 16, 17 and 18 ... 19	●	 19	●

20 Percentage line 19 (Colorado) to line 19 (Total) ● _____**% times** 1/2 **line 1, $** _____**equals**. 20

21 Total of lines 10 and 20. Enter on line 12, page 1, Form 112. 21

SCHEDULE B-APPORTIONMENT OF INCOME UNDER THE MULTISTATE TAX COMPACT FOR CORPORATIONS DOING BUSINESS BOTH WITHIN AND WITHOUT COLORADO.

(FOR APPORTIONMENT OF INCOME UNDER THE COLORADO INCOME TAX ACT, SEE SCHEDULE A, PAGE 2)

1 Computation of the property factor:

	(1) Colorado		(2) Total	
	(Beginning)	(Ending)	(Beginning)	(Ending)
(a) Inventories	●	●	●	●
(b) Land				
(c) Buildings and Equipment	●	●		
(d) Other property (explain)				
(e) Total (a) through (d)	●	●	●	●
(f) Average				
(g) Leased property (Attach schedule)	●		●	
(h) Total (f) and (g)				

(i) Percentage 1(1)(h) to 1(2)(h) ● 1 %

2 Computation of the payroll factor:

(a) Colorado compensation paid during the taxable year

(b) Total compensation paid during the taxable year

(c) Percentage 2(a) to 2(b) ● 2 %

3 Computation of the sales factor:

INCLUDE ONLY INCOME NOT DIRECTLY ALLOCATED	DO NOT INCLUDE FOREIGN SOURCE REVENUES MODIFIED OUT ON LINE 7, FORM 112	
	(1) Colorado	(2) Total
(a) Gross sales of property	●	
(b) Gross sales of services		
(c) Rents and royalties		
(d) Other revenue (explain)		
(e) Total revenue	●	●

(f) Percentage 3(1)(e) to 3(2)(e) ● 3 %

4 Total of lines 1, 2 and 3 4 %

5 Average factor, line 4 divided by the number of factors computed above 5 %

6 Total modified federal taxable income from line 11, page 1, Form 112. 6

7 Less income directly allocable:

NON-BUSINESS INCOME ONLY

(a) Net rents and royalties from real or tangible personal property

(b) Capital gains and losses

(c) Interest and dividends

(d) Patents and copyright royalties

(e) Total income directly allocable ● 7

8 Modified federal taxable income subject to apportionment by formula, line 6 less line 7 8

9 Income apportioned to Colorado by formula, line 5 times line 8 9

10 Add income directly allocable to Colorado:

(a) Net rents and royalties from real or tangible personal property

(b) Capital gains and losses

(c) Interest and dividends

(d) Patents and copyright royalties

(e) Total income directly allocated to Colorado ● 10

11 Total income apportioned to Colorado, line 9 plus line 10. Enter on line 12, page 1, Form 112. 11

SCHEDULE C-COLORADO AFFILIATIONS SCHEDULE

NO.	A. NAME AND ADDRESS OF CORPORATION	B. COLORADO IDENTIFICATION NUMBER	C. FEDERAL EMPLOYER IDENTIFICATION NUMBER

	D. INTERCOMPANY BUSINESS RELATIONSHIPS (SEE INSTRUCTIONS)	E. CHECK (✓) IF CORP. IS INCLUDED IN COMBINED RETURN	F. OWNED BY CORP. NUMBER	G. CHANGE IN OWNERSHIP % DURING TAXABLE PERIOD (YES/NO)	H. % OF OWNERSHIP CLOSE OF TAXABLE PERIOD	I. PRINCIPAL BUSINESS ACTIVITY
1	A (Parent)				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐				I
2	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I
3	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I
4	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I
5	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I
6	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I
7	A				B	C
	D 1. ☐ 2. ☐ 3. ☐ 4. ☐ 5. ☐ 6. ☐	E ☐	F	G	H %	I

PHOTO COPY AND ATTACH ADDITIONAL PAGES AS NEEDED

INSTRUCTIONS FOR APPORTIONMENT SCHEDULE B

Apportionment Schedule B is provided for the apportionment of income by corporations under the provisions of the Multistate Tax Compact. Colorado has officially adopted the Multistate Tax Commission income tax regulations.

For purposes of apportioning income under the multistate compact, a Colorado corporation will be deemed to be doing business in another state, and allowed to apportion income, if, in that other state, the corporation is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or if that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether or not the state does so.

A foreign corporation will be deemed to be doing business in Colorado if it has income arising from the activity of one or more of its employees located in this state, or income arising from the fact that real or tangible personal property is located in this state for business purposes, or both. Such corporation will be subject to tax by Colorado if it is engaged in any activities in Colorado which are beyond the protection afforded by Public Law 86-272.

The use of Schedule B as opposed to the use of Schedule A is optional and a new election may be made for each tax period. The provisions of the multistate compact do not apply to financial organizations or public utilities except that if a corporation has income from business activity as a public utility but derives the greater percentage of its income from activities subject to apportionment under the compact, it may elect to allocate and apportion the entire net income under the provisions of the compact.

The Multistate Tax Compact divides all corporate income into two parts: business income and nonbusiness income. Business income is defined as income arising from transactions and activities in the regular course of the corporation's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the corporation's regular trade or business operations. Nonbusiness income is defined as all income other than business income.

The following items of income, to the extent they constitute nonbusiness income, are to be directly allocated:

1. Net rents and royalties from real property located in this state shall be allocated to this state. Net rents and royalties from tangible personal property are allocable to this state if and to the extent that the property is utilized in this state, or in their entirety if the taxpayer's commercial domicile is in this state and the corporation is not organized under the laws of or taxable in the state in which the property is utilized.
   Commercial domicile means the principal place from which the trade or business of the taxpayer is directed or managed.
   The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the corporation, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.
2. Capital gains and losses from sales of real property located in this state are allocable to this state.
   Capital gains and losses from sales of tangible personal property are allocable to this state if the property had a situs in this state at the time of the sale, or the corporation's commercial domicile is in this state and the corporation is not taxable in the state in which the property had a situs.
   Capital gains and losses from sales of intangible personal property are allocable to this state if the corporation's commercial domicile is in this state.
   Colorado capital gains reported on line 8 of Form 112 are subtracted from federal taxable income before apportionment and should not be entered on lines 7(b) or 10(b) of Schedule B.
3. Interest and dividends are allocable to this state if the corporation's commercial domicile is in this state.
4. Patent and copyright royalties are allocable to this state if and to the extent that the patent or copyright is utilized by the taxpayer in this state, or if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the corporation is not taxable and the corporation's commercial domicile is in this state.

A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the corporation's commercial domicile is located.

A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the corporation's commercial domicile is located.

BUSINESS INCOME. All business income shall be apportioned to this state by use of a three factor formula: a property factor, a payroll factor and a sales factor.

The **property factor** is a fraction, the numerator of which is the average value of the corporation's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the corporation's real and tangible personal property owned or rented and used during the tax period.

Property owned by the corporation is valued at its original cost. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the director of revenue may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the corporation's property.

Rental property is to be valued at eight times the rent paid for the property during the tax period minus any rents received for subrental of the same property.

The **payroll factor** is a fraction, the numerator of which is the total amount paid in this state during the tax period by the corporation for compensation and the denominator of which is the total compensation paid everywhere during the tax period.

Compensation means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

Compensation is paid in this state if: the individual's service is performed entirely within this state; the individual's service is performed both within and without this state, but the service performed without this state is incidental to the individual's service within this state; or some of the service is performed in this state and (1) the base of operations, or, if there is no base of operations, the place from which the service is directed or controlled, is in this state, or (2) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

The **sales factor** is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

"Sales" means all gross receipts of the corporation that are not directly allocated.

Sales of tangible personal property are in this state if: the property is delivered or shipped to a purchaser (other than the United States Government) within this state regardless of the f.o.b. point or other conditions of the sale; or the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States Government or (2) the corporation is not taxable in the state of the purchaser.

Sales, other than sales of tangible personal property, are in this state if: the income-producing activity is performed in this state; or the income producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

INSTRUCTIONS FOR SCHEDULE C

Schedule C must be completed if the corporation for which the return is filed a) owned more than 50 percent of the stock of another corporation or, b) more than 50 percent of the stock of the corporation for which the return is filed was owned by another corporation.

Enter information for the common parent on line 1. Lines 2 through 7 are for subsidiary corporations. Photocopy and attach additional sheets if necessary.

COLUMNS A THROUGH C:

Enter the corporation's name, address, Colorado ID number and federal ID number.

COLUMN D:

Taxpayers who are affiliated corporations, as described above, and who have more than 20 percent of their property and payroll located within the United States must complete Column D.

The blocks in Column D are numbered from one (1) to six (6) and correspond to the six numbered intercompany business relationships described below. For each affiliate listed on Schedule C, mark yes (Y) or no (N) in the blocks of Column D, to indicate whether the below described intercompany business relationships did or did not exist during the tax year and the two preceding tax years.

INTERCOMPANY BUSINESS RELATIONSHIPS:

1. Is 50 percent or more of the corporation's gross receipts from sales or leases to other affiliates or is 50 percent or more of the corporation's cost of goods sold or leased from other affiliates?
2. Does the corporation receive 50% or more of the total annual value of each of five or more of the following services from other affiliates: advertising and public relations; accounting and bookkeeping; legal; personnel; sales; purchasing; research and development; insurance; employee benefit programs? Do not count services which are provided at an "arm's length charge." (See U.S. Treasury Regulation 1.482(b)(3).)
3. Is 20 percent or more of the corporation's long-term debt owed to or guaranteed by other affiliates? Is 20 percent or more of any other affiliates long-term debt owed to or guaranteed by the corporation?
4. Does the corporation use patents, trademarks, service marks, logos, trade secrets, copyrights or other proprietary materials owned by other affiliates? Does the corporation own patents, trademarks, service marks, logos, trade secrets, copyrights, or other proprietary materials that are used by other affiliates?
5. Are 50 percent or more of the members of the corporation's board of directors also members of the board of directors or corporate officers of other affiliates?
6. Are 25 percent or more of the corporation's twenty highest ranking officers also members of the board of directors or corporate officers of other affiliates?

COLUMN E:

Check the block in Column E if the corporation is included in a combined report. Corporations included in a combined report must have answered yes (Y) to three or more of the intercompany business relationships referred to in Column D.

COLUMNS F THROUGH I:

Enter corporation's owner number, whether or not there was a change in ownership, ownership percentage and principal business activity.

INSTRUCTIONS FOR FORM 112 CR

PRIORITY OF CREDITS

The law provides that the new Investment Tax Credit (ITC) is limited to the tax liability remaining after the old ITC. Otherwise, the taxpayer may choose the sequence in which the credits are claimed. Particular attention should be paid to the carryback and carryover features of the various credits.

THE NEW INVESTMENT TAX CREDIT

A new Colorado ITC is allowed in an amount equal to 1% of the total qualified investment as determined under section 46(c) of the internal revenue code in qualified property as defined in section 48 of the internal revenue code as such sections existed prior to the Revenue Reconciliation Act of 1990.

The new ITC is basically 10% of what the federal regular percentage ITC would be if it were still in effect.

The new ITC is limited to $1,000 reduced by the amount of the old ITC claimed for the same tax year.

Any excess new ITC remaining may be carried forward for a period of three years. It may not be carried back to an earlier year.

The new Colorado ITC is allowed only with respect to assets located within Colorado. If qualifying property is located both within and without Colorado during the tax year, the credit shall be apportioned based on the time of usage of such property in Colorado during the tax year as compared with the total time of usage of such property everywhere during the tax year unless the taxpayer can justify a more equitable apportionment method.

All Internal Revenue Code section 46 (as such section existed prior to 1990) restrictions on qualified investment apply for purposes of the new ITC. For example, only a fraction of the basis or cost of assets that have a useful life of less than seven years qualifies for the credit, only $150,000 of used property may qualify for the credit, and any amounts expensed under section 179 of the Internal Revenue Code do not qualify.

ENTERPRISE ZONES

An enterprise zone is an economically distressed area of Colorado in which special tax incentives are offered to businesses that expand or locate in the zone. The purpose of the tax incentives is to create new jobs and investments in the zone.

FORM 112 CR COLORADO CORPORATION CREDIT SCHEDULE 2004

Attach this form to your completed income tax return Form 112

Taxpayer's name	Colorado account number

If the total of the credits claimed on this form exceeds the tax amount on line 1, see the limitation at the bottom of the form.

1	Tax liability from line 15, Form 112		1
A	**THE NEW INVESTMENT TAX CREDIT**		
2	$1,000 minus amount on line 68	2	
3	Current year qualified investment	3	
4	One percent of the amount on line 3	4	
5	New investment tax credit carryover	5	
6	Total of lines 4 and 5	6	
7	Allowable credit. Smaller of lines 2 or 6. Enter here and on line 16, Form 112		7
B	**ENTERPRISE ZONE INVESTMENT TAX CREDIT**		
8	Smaller of amount on line 1 above, or $5,000	8	
9	50% of the amount on line 1 above in excess of $5000	9	
10	Total of lines 8 and 9	10	
11	Old investment tax credit, if any, from line 68	11	
12	Line 10 minus line 11	12	
13	Qualifying current year investment	13	
14	3% of amount on line 13	14	
15	Enterprise zone investment tax credit carryover	15	
16	Total of lines 14 and 15	16	
17	Allowable credit. Smaller of lines 12 or 16. Enter here and on line 17, Form 112		17
C	**ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDITS**		
18	Monthly average of qualified new business facility employees	18	
19	Number of employees for which credit has previously been claimed	19	
20	Increase in qualified employees, line 18 minus line 19	20	
21	Number of employees on line 20 multiplied by $500	21	
22	Number of employees on line 20 in an enhanced rural EZ multiplied by $2,000	22	
23	Number of agricultural processing employees on line 20 multiplied by $500	23	
24	Number of agricultural processing employees on line 20 in an enhanced rural EZ multiplied by $500	24	
25	New business facility employee credit carryover	25	
26	Number of health insurance qualified employees _____ multiplied by $200	26	
27	Allowable credit. Total of lines 21 through 26. Enter here and on line 18, Form 112.		27
D	**CONTRIBUTION TO ENTERPRISE ZONE ADMINISTRATOR CREDIT**		
28	Current year cash contributions	28	
29	Value of current year in-kind contributions	29	
30	Total of lines 28 and 29	30	
31	The smaller of $100,000 or 25% of line 30	31	
32	Limitation on in–kind credit, 50% of line 31	32	
33	Allowable in–kind credit, the smaller of lines 29 or 32	33	
34	Limitation on cash credit, line 31 minus line 33	34	
35	Allowable cash credit, the smaller of lines 28 or 34	35	
36	Contribution credit carryover	36	
37	Allowable credit. Smaller of the total of lines 33, 35, and 36, or $100,000. Enter here and on line 19, Form 112		37
E	**ENTERPRISE ZONE VACANT COMMERCIAL BUILDING REHABILITATION CREDIT**		
38	$50,000 minus credit previously claimed or carried over	38	
39	Qualified current year expenditures	39	
40	Smaller of $50,000 or 25% of line 39	40	
41	Smaller of line 38 or line 40	41	
42	Rehabilitation credit carried over	42	
43	Allowable credit. Total of lines 41 and 42. Enter here and on line 20, Form 112		43

F ENTERPRISE ZONE RESEARCH AND EXPERIMENTAL CREDIT

44	Qualifying current year expenditures		44	
45	First preceding year expenditures	45		
46	Second preceding year expenditures	46		
47	Total lines 45 and 46	47		
48	One-half of the amount on line 47		48	
49	Line 44 minus line 48		49	
50	3% of the amount on line 49		50	
51	25% of the amount on line 50		51	
52	25% of line 48 of 2001 Form 112CR		52	
53	25% of line 48 of 2002 Form 112CR		53	
54	25% of line 50 of 2003 Form 112CR		54	
55	Excess credit carried over		55	
56	Allowable credit, Total of lines 51, 52, 53, 54 and 55. Enter here and on line 20, Form 112			56

G MISCELLANEOUS ENTERPRISE ZONE CREDITS

57	Enterprise zone job training credit. Enter here and on line 20, Form 112	57
58	Rural technology enterprise zone credit. Enter here and on line 24, Form 112	58

H COLORADO COAL CREDIT

59	Tons of Colorado coal purchased during current year	59	
60	Tons of Colorado coal purchased during taxable year beginning in 1988	60	
61	Line 59 minus line 60	61	
62	Number of tons on line 61 multiplied by $1.00	62	
63	Coal credit carried over	63	
64	Allowable credit. Total of lines 62 and 63. Enter here and on line 24, Form 112		64

I MISCELLANEOUS CREDITS

65	Alternative fuel vehicle credit. Enter here and on line 21, Form 112		65
66	Alternative fuel refueling facility credit. Enter here and on line 22, Form 112		66
67	Gross conservation easement credit. Enter here and on line 23, Form 112		67
68	Old investment tax credit	68	
69	Crop and livestock contribution credit	69	
70	Historic property preservation credit	70	
71	Child care contribution credit	71	
72	Child care center–family care home investment credit	72	
73	Employer child care facility investment credit	73	
74	School-to-career investment credit	74	
75	Colorado works program credit	75	
76	Contaminated land redevelopment credit	76	
77	Low-income housing credit	77	
78	Weather related livestock sale credit carryforward	78	
79	Allowable credit. Total of lines 68 through 78. Enter here and on line 24, Form 112		79

LIMITATION: The total credits you claim on lines 7, 17, 27, 37, 43, 56, 57, 58, 64, 65, 66, 67 and 79 of this Form 112 CR may not exceed the tax on Line 1. If you have excess credits, you must choose which credits you are going to use against your 2004 tax and enter those amounts on the appropriate lines of Form 112. As a general rule, unused 2004 credits may be carried forward and claimed on your 2005 Colorado Income Tax Return.

Credits to be carried forward to 2005:

Refer to FYI General 6 for information regarding the location of the enterprise zones.

ENTERPRISE ZONE INVESTMENT TAX CREDIT

In lieu of the old Colorado investment tax credit (ITC) with respect to such property, there shall be allowed to any person a Colorado income tax credit in an amount equal to three percent of the qualified investment (as defined in section 46 of the internal revenue code) in section 38 property (defined in section 48 of the internal revenue code) as said sections 46 and 48 existed prior to the enactment of the federal Revenue Reconciliation Act of 1990 to the extent such property was used solely and exclusively in a Colorado enterprise zone during the first twelve months of ownership of such property by the taxpayer.

Section 38 property is basically tangible personal property which is either (federal) recovery property or other depreciable or amortizable property having a useful life of three years or more used in the taxpayer's trade or business. Only 60% of the investment in 3-year recovery property qualifies for the credit. The qualified investment in used property is limited to $150,000 per year, and any amounts expensed under section 179 of the internal revenue code do not qualify for the credit. Under certain circumstances the taxpayer may claim the credit on leased property.

The enterprise zone ITC may be claimed in an amount equal to the first $5,000 of tax liability plus 50% of the tax liability in excess of $5,000. Enterprise zone ITC earned in tax years beginning on or after January 1, 1996 may be carried back 3 years and forward 12. Enterprise zone ITC earned in tax years prior to January 1, 1996 may be carried back 3 years and forward 7.

Any taxpayer claiming an enterprise zone ITC of $450 or more must submit with its income tax return a certificate from the zone administrator (Form DR 0074) to the effect that the taxpayer's business is located in the enterprise zone.

Refer to FYI Income 11 for additional information.

ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDITS

Only taxpayers who establish a new business facility or expand an existing facility in an enterprise zone may claim the new business facility employee credits. These credits may not be claimed with respect to facilities that were in place prior to the establishment of the zone except for a qualified expansion.

- **Basic employee credit**. Taxpayers which establish a new business facility may claim a credit of $500 for the first twelve month period they employ a qualified new business facility employee. For subsequent tax periods, they are allowed to claim this credit with respect to the increase in the average number of enterprise zone new business facility employees. An additional $2,000 credit for each new business facility employee is available to businesses located in an enhanced rural enterprise zone.
- **Agricultural processing employee credit**. Any taxpayer who operates a business within an enterprise zone which adds value through manufacturing or processing to agricultural commodities can claim an additional $500 employee credit. An additional $500 credit for each new business facility agricultural processing employee is available to businesses located in an enhanced rural enterprize zone. Only businesses directly engaged in manufacturing or processing agricultural commodities into some form other than that which enters normal agricultural commodity marketing channels qualify for this special incentive. Harvesting, cleaning, packaging, storing, transporting, wholesaling, retailing, or otherwise distributing products without changing their form do not qualify.
- **Health Insurance credit.** An enterprise zone taxpayer can qualify for a credit of $200 for each new business facility employee who is insured under a health insurance plan or program provided through the employer. Any health insurance, health maintenance organization, or prepaid health plan which is approved by the State Insurance Commissioner for sale in Colorado qualifies. The employer must contribute 50% or more of the total cost of the plan. A qualifying taxpayer may claim this credit for the first two full income tax years after the facility is completed or acquired within an enterprise zone.

In order to claim the enterprise zone new business facility employee credits, the taxpayer must submit with its return a certification from the zone administrator (Form DR 0074) (Refer to FYI Income 10.)

Contributions to enterprise zone administrator credit

The credit for contributions to an enterprise zone administrator to further the economic development plan of the zone is allowed at 25% for cash contributions, 12 $^1/_2$% for in-kind contributions, and a blended percentage for combined cash/in-kind contributions

The certificate(s) of contribution (Form DR 0075) furnished to you by the zone administrator or the program, project or organization will show the amount of your contributions that qualify for the 25% cash–12 $^1/_2$% in-kind credit. Form DR 0075 must be attached to Form 112.

The contribution credit is subject to the following rules:

1. The amount of credit generated in any one tax year may not exceed $100,000.
2. The amount of credit generated in excess of the credit claimed may be carried forward for up to 5 years.
3. The credit is limited to 25% of the total value of the contribution.
4. Credit for in-kind contributions are limited to one-half the credit allowed for cash contributions of the same value.
5. If a taxpayer has both cash and in-kind contributions during a tax year, credit for cash contributions may be allowed at up to 100% but only to the extent necessary to bring the total credit up to 25% of the value of the combined contributions.

6. Credit will not be allowed for contributions that directly benefit the contributor or that are not directly related to job creation, job preservation, child-care promotion or for temporary, emergency or transitional housing programs which promote employment for homeless persons.

For additional information, refer to FYI Income 23.

ENTERPRISE ZONE VACANT COMMERCIAL BUILDING REHABILITATION CREDIT

A 25% credit is available for rehabilitating commercial buildings in an enterprise zone which are at least 20 years old and which have been vacant for at least two years. (Refer to FYI Income 24.)

ENTERPRISE ZONE RESEARCH AND EXPERIMENTAL ACTIVITIES CREDIT

Taxpayers who make research and experimental expenditures in an enterprise zone are entitled to a credit in the amount of 3% of such current year expenditures in excess of the average of such expenditures for the two preceding tax years. (Refer to FYI Income 22.)

ENTERPRISE ZONE JOB TRAINING CREDIT

A credit of 10% of the total current year investment in a qualified job training program for employees working predominantly within an enterprise zone is available. (Refer to FYI Income 31.)

COLORADO COAL CREDIT

A credit of $1.00 per ton for the number of tons of Colorado coal purchased in excess of the number of tons purchased in 1988 is available. Colorado coal means coal mined in Colorado. If the purchaser is not subject to Colorado tax, credit may be passed back to the seller in exchange for discount on purchase price of coal. Credit has a three-year carryover.

ALTERNATIVE FUEL VEHICLE CREDIT

A credit based on the cost of a clean burning alternative fuel system option or conversion is available. (Refer to FYI Income 9.)

ALTERNATIVE FUEL REFUELING FACILITY CREDIT

A 50% credit is available for the construction, reconstruction or acquisition of an alternative fuel refueling facility. (Refer to FYI Income 9.)

GROSS CONSERVATION EASEMENT CREDIT

A credit based on the value of a donated conservation easement in Colorado is available. Attach a copy of Form DR1305 and the qualified appraisal summary to Form 112 when claiming this credit. (Refer to FYI Income 39.)

THE OLD INVESTMENT TAX CREDIT

The old investment tax credit is the sum of the old investment tax credit carry over, the current year old investment tax credit and the old investment tax credit carry back. The current year credit is 10% of the federal current year rehabilitation, energy and reforestation investment credit on assets located in Colorado. The credit is limited to the first $5,000 of tax liability plus 25% of the tax in excess of $5,000. Excess credit may be carried back three years and forward seven.

CROP AND LIVESTOCK CONTRIBUTION CREDIT

A 25% credit is available for the donation of crops or livestock to a charitable organization. (Refer to FYI Income 57.)

HISTORIC PROPERTY PRESERVATION CREDIT

A credit of 20% of the cost of restoring certified historic property in Colorado is available. (Refer to FYI Income 1.)

CHILD CARE CONTRIBUTION CREDIT

A 50% credit is available for qualifying contributions made to promote child care in Colorado. (Refer to FYI Income 35.)

CHILD CARE FACILITY INVESTMENT CREDIT

A 20% investment credit is available for certain tangible personal property used in the operation of a child care center, a family child care home, or a foster care home. (Refer to FYI Income 7.)

EMPLOYER CHILD CARE FACILITY INVESTMENT CREDIT

A 10% investment credit is available for employer sponsored child care facility investment. (Refer to FYI Income 7.)

SCHOOL-TO-CAREER INVESTMENT CREDIT

A credit of 10% of the current year investment in a qualified school-to-career program is available.(Refer to FYI Income 32.)

COLORADO WORKS PROGRAM CREDIT

A credit of 20% of an employer's expenditures to employ recipients of public assistance is available. (Refer to FYI Income 34.)

RURAL TECHNOLOGY ENTERPRISE ZONE CREDIT

A 10% credit is available for capital investments made in technology infrastructure required to provide internet access in rural technology enterprise zones. (Refer to FYI Income 36.)

CONTAMINATED LAND REDEVELOPMENT CREDIT

A 20% – 50% credit is available for expenditures made to redevelop contaminated land in Colorado. (Refer to FYI Income 42.)

LOW-INCOME HOUSING CREDIT

A tax credit is available for owners of qualified low-income housing developments. You must attach a copy of your credit certification from the Colorado Housing and Finance Authority to claim this credit. (Refer to FYI Income 46.)

WEATHER RELATED LIVESTOCK SALE CREDIT

Credits from 2002 and 2003 in excess of the tax due can be carried forward for 5 years. (Refer to FYI Income 55.)