COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0005

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COLORADO PARTNERSHIP OR S CORPORATION RETURN OF INCOME

AND COMPOSITE NONRESIDENT INCOME TAX RETURN

2001

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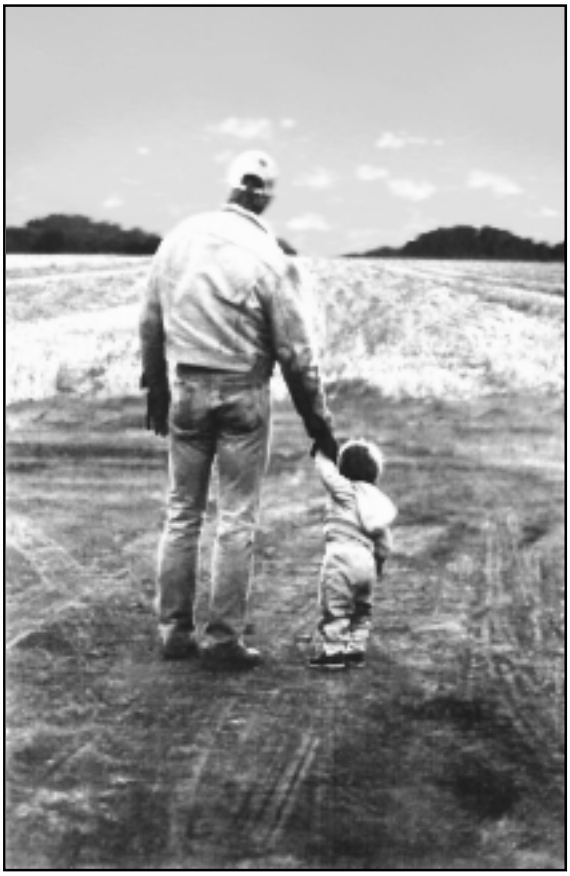
Instructions



- First complete the federal return of income, Form 1065 or Form 1120S. You will need information from that form to complete your Colorado return.
- Return is due to be filed three and one-half months after the close of the tax year with the Colorado Department of Revenue, Denver, Colorado 80261-0005.

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DR 0107 (10/01)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0008

2001 COLORADO NONRESIDENT PARTNER OR SHAREHOLDER AGREEMENT

Taxable Year of Partnership or S Corporation:	BEGINNING _____ , 20 ___ ENDING _____ , 20 ___
Taxable Year of Partner or Shareholder:	BEGINNING _____ , 20 ___ ENDING _____ , 20 ___

NONRESIDENT PARTNER OR SHAREHOLDER'S NAME AND ADDRESS	PARTNERSHIP OR CORPORATION'S NAME AND ADDRESS	
Name	Name	
Street or Mailing Address	Street or Mailing Address	
City, State, ZIP	City, State, ZIP	
Social Security or Colorado Account Number	Colorado Account Number	Federal Number (FEIN)

I agree to file Colorado income tax returns 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 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.

Taxpayer's or authorized agent's signature	Date

This agreement is valid until revoked in writing by the nonresident partner or shareholder.
Attach this agreement to Colorado Form 106.

Forms DR 0107 and DR 0108 are to be used with respect to nonresident partners or shareholders of an S corporation. See instructions for completing Form 106 for additional information. Photocopy additional copies of these forms as needed.

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(14) DR 0108 2001
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0008

STATEMENT OF COLORADO TAX REMITTANCE FOR NONRESIDENT PARTNER OR SHAREHOLDER

70

SUBMIT A SEPARATE CHECK FOR EACH DOCUMENT

NONRESIDENT PARTNER'S OR SHAREHOLDER'S NAME (LAST NAME, FIRST NAME, M.I.)	SOCIAL SECURITY OR COLORADO I.D. NO.
ADDRESS	
CITY, STATE, ZIP	
1. Colorado source income for nonresident partner or shareholder $ _____ **.00**	2. Colorado tax remitted, 4.63% of amount on line 1. **(08)** $ _____ **.00**

PARTNERSHIP OR CORPORATION'S NAME	COLORADO I.D. NUMBER
ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
CITY, STATE, ZIP	TAX YEAR ENDING

DO NOT WRITE BELOW THIS LINE

INSTRUCTIONS FOR COMPLETING FORM 106

LIMITED LIABILITY COMPANIES

When used in this instruction booklet or on the partnership forms, the term partnership includes limited liability companies filing as partnerships for federal income tax purposes, and the term partner includes members of such limited liability companies.

WHO MUST FILE FORM 106

Any partnership, joint venture, common trust fund, limited association, pool or working agreement, limited liability company or any other combination of persons or interests which is required to file a federal partnership return of income must file a Colorado Form 106 if any of the partnership income is from Colorado sources.

An **S CORPORATION** must file Form 106 for any year it is doing business in Colorado. Doing business in a state is defined as having income arising from the activity of one or more employees located in the state; or arising from the fact that real or personal property is located in the state for business purposes. A corporation will be deemed to be doing business in Colorado if it is engaged in any activities in Colorado which are beyond the protection afforded by Public Law 86-272.

An S corporation is a corporation for which a valid election is in effect under section 1363(a) of the Internal Revenue Code. If a corporation is an S corporation for federal income tax purposes it is an S corporation for Colorado income tax purposes. S corporations are not subject to Colorado income tax.

A change or correction on your return must be reported on a corrected form 106. Write "Amended Return" in large red letters across the top of the corrected form 106. Include prior payments on line 16 of the corrected form.

DUE DATES FOR FILING RETURN

The return is due to be filed three and one-half months after the close of the tax year plus an automatic six-month extension. See the extension payment instructions below for further information.

DECLARATION OF ESTIMATED TAX

Every individual included in a composite nonresident income tax return must pay estimated income tax if their portion of the tax liability is expected to exceed $1,000 plus estimated credits. Declaration of estimated tax Form 106EP and instructions will be furnished upon request.

COMPLETING FORM 106

Enter on line 1 the ordinary income or (loss) from line 1 of federal schedule K.

Enter on line 2, the total of all other income listed on federal schedule K. For partnerships, this would be the total of the amounts entered on lines 2, 3c, 4a, 4b, 4c, 4d, 4e, 4f, 5, 6, and 7 of federal schedule K. For S corporations, this would be the total of the amounts entered on lines 2, 3c, 4a, 4b, 4c, 4d, 4e, 4f, 5, and 6 of federal schedule K.

Enter on line 3, the Colorado modifications that increase federal income. Enter on line 3 any interest income (net of premium amortization) from state or municipal obligations subject to tax by Colorado. Do not include interest from obligations issued by the State of Colorado or a subdivision thereof.

Enter on line 5, the allowable deductions from federal schedule K. For partnerships, this would be the total of lines 9, 10, 11, and 18b of federal schedule K; and for S corporations, this would be the total of lines 8, 9, 10, and 16b of federal schedule K.

Charitable contributions (line 8, schedule K, Form 1065, or line 7, schedule K, Form 1120S) and investment interest expense (line 14a, schedule K, Form 1065, or line 11a, schedule K, Form 1120-S) may be included on line 5 of Form 106, but only if a composite return is being filed for the nonresident partners or shareholders; and the tax on the composite return is 4.63% of the Colorado source income of the partnership or S corporation as computed on Form 106. Do not include any charitable deductions for the donation of a conservation easement that qualified for the gross conservation easement credit or of money that qualified for the high technology scholarship contribution credit.

Enter on line 6, to the extent included in federal income on line 4, any interest income earned on obligations of the United States government and any interest income earned on obligations of any authority, commission, or instrumentality of the United States to the extent such obligations are exempt from state tax under federal law.

ADDITIONAL INFORMATION AVAILABLE

All forms, FYIs and other information are available at: *www.taxcolorado.com* or you can call for forms (303) 238-FAST(3278) or information (303) 238-SERV(7378).

INSTRUCTIONS FOR EXTENSION PAYMENT VOUCHER FOR COMPOSITE FILING

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 composite income tax return is allowed for all taxpayers. However, an extension of time to file is not a extension of time to pay the tax. If at least 90% of the net tax liability (line 15, Form 106) 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 of the tax is paid when the return is filed by the last day of the extension period, only interest will be assessed.

Form DR 158-N 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 that has been paid is insufficient to meet the 90% requirement, additional payment should be submitted as soon as possible to reduce further accumulation of penalty and interest. Make such payment on form DR 158-N.

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

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

Submit form DR 158-N with payment to: Colorado Department of Revenue
Denver, CO 80261-0008

The modification for foreign source income of an export taxpayer may be claimed on line 6. If a partnership qualifies as an export taxpayer, it may exclude for Colorado income tax purposes any income or gain which constitutes foreign source income for federal income tax purposes. For purposes of this modification, an "export taxpayer" means any partnership which sells fifty percent of its products which are produced in Colorado in states other than Colorado or in foreign countries, or if the gross receipts of such partnership are derived from the performance of services, such services are performed in Colorado by a partner or employee of the partnership and fifty percent or more of such services provided by the partnership are sold or provided to persons outside of Colorado.

Enter on line 6, to the extent included in federal taxable income, the excludible Colorado capital gain income for property acquired on or after May 9, 1994 and held for five or more years. See FYI Income 15 for information on what capital gains qualify for this subtraction.

Enter on line 7, to the extent included in federal taxable income, the excludible Colorado capital gain income for property acquired before May 9, 1994. Enter on line 8, to the extent included in federal taxable income, the excludible Colorado capital gain income for property held for at least one year but less than five years. See FYI Income 15.

Neither the C corporation foreign income exclusion or the partnership export taxpayer foreign source income modification may be claimed by an S corporation or passed through to its shareholders.

Colorado modifications and credits from Form 106CR, if any, are to be distributed to the shareholders on their stock ownership percentage. Advise each Colorado resident partner or shareholder of his share of the partnership or corporation modifications and credits. Advise each resident shareholder of his share of any income tax paid to other states by the corporation so they can compute the credit for tax paid other states.

Enter the Colorado source income on line 11. If part of the income is not Colorado source income, see the instructions for determining Colorado source income. The Colorado income tax statute provides that in determining the source of a nonresident partner's income, no effect shall be given to a provision in the partnership agreement which characterizes payments to the partner as being for services or for the use of capital. Thus payments to partners, whether salaries or interest, shall be construed to be from Colorado sources and taxable by Colorado in the same ratio as is the ordinary income of the partnership.

The partnership will not normally determine income from Colorado sources for any corporate partner as the corporation will include partnership income as part of the total income subject to the corporation allocation and apportionment provisions.

COMPOSITE FILING

A partnership or an S corporation may file a composite return on Form 106 for its nonresident partners or shareholders. Each nonresident partner or shareholder may elect to be included or excluded from the composite filing. Nonresidents may be included in the composite return even though they have other Colorado-source income. The tax due on the composite filing shall be 4.63% of the Colorado-source income of the partners or shareholders electing to be included in the composite return. (this represents a reduction from the 5% tax rate in effect in 1998 and the 4.75% tax rate in effect in 1999.)

If 90% of the tax is not paid by the due date, you must add a delinquent payment penalty on line 21. The penalty is 5% of the additional tax due for the first month of delinquency and 1/2% for each additional month up to a maximum of 12%. Interest, Line 22, is due on any balance of tax due from the due date at the rate of 7% (10% if we bill you and you do not pay within 30 days). The estimated tax penalty is computed for each partner or shareholder on Form 204. This penalty will never apply unless the tax due for an individual included in the composite filing is more than $1000. This penalty is not computed on the total amount due on the composite return. If this penalty is due, attach Form 204 for each individual who owes the penalty and enter the total penalty on line 23. Enter the balance due, including any penalty or interest due from lines 21, 22 and 23, on line 24.

AGREEMENT TO FILE RETURN AND PAY TAX (FORM 0107)

Each partnership and each S corporation must supply to each nonresident partner or shareholder who is not included in a Colorado composite return a copy of Form 0107. Form 0107 is an agreement on behalf of the nonresident partner or shareholder that he will file a Colorado income tax return, report to Colorado his Colorado-source income, pay any Colorado tax, penalty, and interest due thereon, and be subject to the Colorado Department of Revenue enforcement and collection procedures. The Forms 0107 are to be completed and signed by the nonresident partner or shareholder and returned to the partnership or corporation in time to be attached to the partnership's or corporation's return of income. Only attach copies of Form 0107 from partners or shareholders who have not submitted the form in prior years.

PAYMENT ON BEHALF OF NONRESIDENT PARTNER OR SHAREHOLDER (FORM 0108)

If any nonresident partner or shareholder should fail or refuse to complete, sign, and return Form 0107 to the partnership or corporation by the time the partnership's or corporation's return is due to be filed, the partnership or S corporation shall submit for each such partner or shareholder Form 0108. The amount remitted on behalf of the partner or shareholder will be credited to his account and he may claim such payment as estimated tax credit when he files his own return. For your convenience, you may submit one check as payment for up to 50 forms rather than sending a check for each form 0108.

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

DETACH FORM ON THIS LINE

(29) Form DR 158-N

PAYMENT VOUCHER FOR EXTENSION OF TIME FOR FILING A COLORADO COMPOSITE NONRESIDENT INCOME TAX RETURN

70

For tax period beginning _____ , ending _____ .

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

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

Amount of Payment

(08) $ .00

DO NOT WRITE BELOW THIS LINE

INSTRUCTIONS FOR DETERMINING COLORADO SOURCE INCOME

PARTNERSHIPS

Partnerships must elect on behalf of their nonresident partners whether to determine Colorado-source income by use of Section 39-22-109, CRS, relating to Colorado-source income of non-resident individuals; by use of section 39-22-303, CRS relating to the Colorado Income Tax Act corporation two-factor apportionment formula; (part IV, Form 106) or by use of the Multistate Tax Compact UDITPA three-factor apportionment formula (part V, Form 106). A new election may be made each tax year but it may not be changed after the due date or the filing date of the partnership return, whichever is later.

Section 39-22-109, CRS provides that income is considered derived from sources within Colorado when such income is attributable to:

1. The ownership of any interest in real or tangible personal property in Colorado;
2. A business, trade, profession, or occupation carried on in Colorado;
3. The distributive share of partnership income, gain, loss, and deduction determined under section 39-22-203 C.R.S.;
4. The share of estate or trust income, gain, loss, and deduction determined under section 39-22-404 C.R.S.;
5. Income from intangible personal property, including annuities, dividends, interest, and gains from the disposition of intangible personal property to the extent that such income is from property employed in a business, trade, profession, or occupation carried on in Colorado. A nonresident, other than a dealer holding property primarily for sale to customers in the ordinary course of his trade or business, shall not be deemed to carry on a business, trade, profession, or occupation in Colorado solely by reason of the purchase and sale of property for his own account.
6. The share of S corporation income, gain, loss, credit, and deduction allocable or apportionable to Colorado.

If Colorado source income is determined under the provisions of 39-22-109, CRS, attach a schedule to Form 106 explaining how Colorado source income was determined. Modifications may be sourced to Colorado only to the extent that the income to which they relate is sourced to Colorado.

S CORPORATIONS

S corporations must determine Colorado source income by either the Colorado Income Tax two-factor formula (part IV, Form 106) or the Multistate Tax Compact three factor formula (part V, Form 106) unless written permission from the Department of Revenue has been received to use some other method. If the S Corporation is filing a combined return for federal purposes, it will file a combined return for Colorado also. Attach a schedule listing the name, address, Colorado account number and federal employer identification number of each corporation.

INSTRUCTIONS FOR APPORTIONING INCOME UNDER THE COLORADO INCOME TAX ACT (PART IV, PAGE 3, FORM 106.)

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 organization 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 organization 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 sub-rentals 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 organization'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 organization's 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 organization'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 reasonably be 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 organizations commercial domicile is located.

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

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

Property owned by the organization 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 organization is valued at eight times the net annual rental rate. Tangible personal property rented by the organization is valued at three times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the organization less any annual rental rate received by the organization from sub-rentals.

INSTRUCTIONS FOR ALLOCATING AND APPORTIONING INCOME UNDER THE MULTISTATE TAX COMPACT (PART V, PAGE 4, FORM 106)

The three-factor apportionment schedule is provided for the apportionment of partnership or S corporation income under the provisions of the Multistate Tax Compact. Colorado has officially adopted the Multistate Tax Compact regulations.

A non-Colorado corporation or partnership 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 arising from the fact that real or tangible personal property is located in this state for business purposes; or both. The nonresident partners or shareholders will be subject to tax by Colorado if the partnership or S corporation engages in any activities in Colorado which are beyond the protection afforded by Public Law 86-272. The provisions of the multistate compact do not apply to financial organizations or public utilities except that if an organization 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 organization'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 organization'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 organization's commercial domicile is in this state and the organization 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 organization 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 physical location of the property everywhere during 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 organization, 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 organization's commercial domicile is in this state and the organization 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 organization's commercial domicile is in this state.

3. Interest and dividends are allocable to this state if the organization'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 payer in this state, or if and to the extent that the patent or copyright is utilized by the payer in a state in which the organization is not taxable and the organization'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 organization'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 organization'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 organization'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 organization's real and tangible personal property owned or rented and used during the tax period.

Property owned by the organization 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 organizations' 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 sub-rental 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 organization 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 organization in this state during the tax period, and the denominator of which is the total sales of the organization everywhere during the tax period.

"Sales" means all gross receipts of the organization 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 organization 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.

(43) **2001 FORM 106**

COLORADO STATE PARTNERSHIP OR S CORPORATION RETURN OF INCOME AND COMPOSITE NONRESIDENT INCOME TAX RETURN

For calendar year 2001
or other tax year beginning _____ , 2001, ending _____ , 20 _____ .

PLACE LABEL HERE	Name of Organization	Colorado Account Number ●
	Address	Federal Employer I.D. Number ●
	City, State, ZIP	

A This return is being filed for (check one): ☐ PARTNERSHIP ☐ S CORPORATION
B For sorting purposes, check this box if a composite nonresident return is included ..... ☐
C Give beginning depreciable assets from federal return ● $_____
D Give ending depreciable assets from federal return ● $_____
E Business or profession _____
F Date of organization or incorporation _____
G Is this a final return?● _____
H Has the I.R.S. made any adjustments to your federal return or have you filed amended federal returns during the last four years? _____ . Explain if yes.
I Number of partners or shareholders as of year end _____

PART I: COMPUTATION OF COLORADO INCOME

ROUND ALL AMOUNTS TO THE NEAREST DOLLAR

1	Ordinary income from line 1 federal Schedule K	1	.00
2	Total of all other income from federal Schedule K	2	.00
3	Modifications increasing federal income	3	.00
4	Total of lines 1, 2 and 3	4	.00
5	Allowable deductions from federal Schedule K	5	.00
6	Modifications decreasing federal income	6	.00
7	Colorado capital gain subtraction (assets acquired before May 9, 1994)	● 7	.00
8	Colorado capital gain subtraction (assets held one year but less than five years)	● 8	.00
9	Total of lines 5 through 8	9	.00
10	Line 4 minus line 9	● 10	.00
11	Colorado source income from (check one): ☐ Part IV; ☐ Part V; ☐ Other (attach explanation); or ☐ Income is all Colorado income	● 11	.00

PART II: COMPOSITE NONRESIDENT INCOME TAX RETURN - DO NOT COMPLETE LINES 12 THROUGH 27 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; 4.63% of the amount on line 12	■ 13	.00
14	106 CR credits allocated to these partners/shareholders (exclude credits from lines 17-19)	● 14	.00
15	Net tax, line 13 minus line 14	15	.00
16	Prepayment credits	● 16	.00
17	High technology scholarship contribution credit allocated to these partners/shareholders	● 17	.00
18	Individual development account contribution credit allocated to these partners/shareholders	● 18	.00
19	Gross conservation easement credit allocated to these partners/shareholders	● 19	.00
20	Total of lines 16 through 19	● 20	.00
21	Penalty, also include on line 24 if applicable	● 21	.00
22	Interest, also include on line 24 if applicable	● 22	.00
23	Estimated Tax Penalty, also include on line 24 if applicable	● 23	.00
24	If amount on line 15 exceeds amount on line 20, enter amount owed	● 24	.00
25	Overpayment, line 20 minus line 15	25	.00
26	Overpayment to be credited to estimated tax	● 26	.00
27	Overpayment to be refunded	● 27	.00

I declare this return to be true, correct and complete under penalty of perjury in the second degree. Declaration of preparer is based on all information of which preparer has any knowledge.

(Signature of partner or signature and title of officer) (Date) | (Name & telephone number of person or firm preparing return) (Date)

Mail this return to the Colorado Department of Revenue, Denver CO 80261-0005

Do not attach federal K-1 schedules.

PART III: IDENTIFICATION OF PARTNERS OR SHAREHOLDERS

This Part III must be completed including information on all partners or shareholders, or a computer printout in the same format must be attached to the return. Do not attach federal K-1 schedules.

NAMES AND ADDRESSES OF PARTNERS OR SHAREHOLDERS	Social Security Number or Colorado Account Number	Profit/Loss or Stock Ownership Percentage	Check if included in composite filing
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	
	_____	_____%	

If there are more than sixteen partners or shareholders, photocopy and attach additional copies of this page as needed.

PART IV: APPORTIONMENT OF INCOME UNDER THE COLORADO INCOME TAX TWO-FACTOR FORMULA

1 Colorado Income from line 10, Part I, Page 1, Form 106. 1

INCOME APPORTIONED TO COLORADO BY USE OF THE REVENUE FACTOR:

DO NOT INCLUDE INCOME MODIFIED OUT ON LINES 6, 7 OR 8, PART I, PAGE 1, FORM 106.

		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 Colorado Source Income, total of lines 10 and 20. Enter here and on line 11, Part I, Page 1, Form 106 21

PART V: ALLOCATION AND APPORTIONMENT OF INCOME UNDER THE MULTISTATE TAX COMPACT THREE-FACTOR FORMULA.

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:

DO NOT INCLUDE INCOME MODIFIED OUT ON LINES 6, 7 OR 8, PART I, PAGE 1.

INCLUDE ONLY INCOME NOT DIRECTLY ALLOCATED

	(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 Colorado income from line 10, Part I, Page 1, Form 106 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 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 Colorado Source Income, line 9 plus line 10. Enter here and on line 11, Part I, Page 1, Form 106 11

FORM 106 CR **2001**

COLORADO PARTNERSHIP — S CORPORATION CREDIT FORM

Organization Name	Colorado Account Number

		AMOUNTS TO BE DISTRIBUTED
CREDIT FOR TAX PAID OTHER STATE BY S CORPORATION		
1 Name of State _____		
2 Amount of income from sources within state _____		
3 Amount of income tax liability to state	3	
THE OLD INVESTMENT CREDIT		
4 Federal current-year qualified investment in Colorado assets	4	
THE NEW INVESTMENT CREDIT		
5 Qualifying current year investment_____		
6 1% of the amount on line 5	6	
ENTERPRISE ZONE INVESTMENT CREDIT		
7 Qualifying current year investment _____		
8 3% of the amount on line 7	8	
ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDITS		
9 Average number of current year qualified employees _____		
10 Number of employees previously claimed _____		
11 Increase in qualified employees, line 9 minus line 10 _____		
12 Number of employees on line 11 multiplied by $500.00	12	
13 Number of agricultural processing employees on line 11 multiplied by $500.00	13	
14 Number of health insured qualified employees times $200.00	14	
CONTRIBUTION TO ENTERPRISE ZONE ADMINISTRATOR		
15 Current year cash contributions	15	
16 Value of current year in-kind contributions	16	
ENTERPRISE ZONE VACANT BUILDING REHABILITATION CREDIT		
17 $50,000 minus credit previously distributed _____		
18 Qualified current year expenditures _____		
19 Smaller of $50,000 or 25% of line 18 _____		
20 Smaller of line 17 or line 19	20	
ENTERPRISE ZONE RESEARCH AND DEVELOPMENT CREDIT		
21 Qualifying current year expenditures _____		
22 First preceding year expenditures _____		
23 Second preceding year expenditures _____		
24 Total lines 22 and 23 _____		
25 One-half of the amount on line 24 _____		
26 Line 21 minus line 25 _____		
27 3% of the amount on line 26	27	
OTHER CREDITS		
28 Colorado coal credit	28	
29 Historic property preservation credit	29	
30 Alternative fuel vehicle credit	30	
31 Alternative fuel refueling facility credit	31	
32 Child care contribution credit	32	
33 Child care center family care home investment credit	33	
34 Employer child care investment credit	34	
35 School to career investment credit	35	
36 Enterprise zone job training credit	36	
37 Colorado works program credit	37	
38 Rural technology enterprise zone credit	38	
39 Gross conservation easement credit	39	
40 Contaminated land redevelopment credit	40	
41 Low-income housing credit	41	
42 High technology scholarship contribution credit	42	
43 Individual development account contribution credit	43	
44 Agricultural value-added credit	44	
45 Agricultural value-added cash fund credit	45	

INSTRUCTIONS FOR FORM 106-CR

IN GENERAL. Colorado credits may be passed through from partnerships, and S corporations to the partners, or shareholders. Normally the potential credit is passed through and it is up to the partner or shareholder to determine his own limitations.

Some credits may be claimed only by individuals, estates or trusts where others may be claimed only by C Corporations. And there are credits that may be claimed by any taxpayer. Lost credits may not be redistributed to other partners or shareholders. For example, if a partnership consisted of a C corporation and an individual, the individual partner's share of the partnership's new investment tax credit could not be claimed by the corporation even though the individual partner is not allowed to use it.

CREDIT FOR TAX PAID OTHER STATES.
Colorado resident S corporation shareholders may claim credit for their share of any net income tax paid to another state by the corporation when the other state does not recognize the S corporation election. Complete a separate Form 106-CR for each state to which tax was paid. Advise each Colorado resident shareholder of his share of the corporate income from sources in the other state and his share of the tax paid.

THE OLD INVESTMENT TAX CREDIT is 10% of the tentative current year federal internal revenue code section 46 credit on assets located in Colorado and may be claimed only by C corporations (this would apply in the case of a partnership with a C corporation partner.) Additional information is available in the Colorado Corporation income tax booklet.

THE NEW INVESTMENT TAX CREDIT is basically 1% of the qualified investment in tangible personal property used in a trade or business in Colorado. This credit may be claimed only by C corporations. Additional information is available in the Colorado corporation income tax booklet.

THE ENTERPRISE ZONE INVESTMENT CREDIT is basically 3% of the qualified investment in tangible personal property used in a trade or business in a Colorado enterprise zone. It may be claimed by all taxpayers. See FYI Income 11.

THE ENTERPRISE ZONE NEW BUSINESS FACILITY EMPLOYEE CREDIT is a credit of $500 for each new job created with respect to a qualified enterprise zone new business facility. An additional $500 credit is allowed with respect to agricultural processing employees and an additional $200 for employees provided health care coverage. These credits may be claimed by all taxpayers. See FYI Income 10.

Credit for 25% of **contributions to enterprise zone administrators** to further the economic development plans of the zone is allowed to all taxpayers.

A credit for the **rehabilitation of a vacant commercial building** in an enterprise zone is available to all taxpayers. See FYI Income 24.

A credit of 3% of the increase in a qualified **enterprise zone research and experimental expenditures** is available to all taxpayers. See FYI Income 22.

Available for C corporations only is the **credit for coal produced in Colorado**. For additional information see the corporation tax booklet.

An **historical property preservation credit** is available for all taxpayers. See FYI Income 1.

A credit based on the cost of a **clean burning alternative fuel** option or conversion for vehicles is available for all taxpayers. See FYI Income 9.

A credit is available for qualifying **contributions made to promote child care** in Colorado. See FYI Income 35.

A 20% investment credit is available for all taxpayers for investment in **certain tangible personal property used in child-care centers or family care homes**; and a 10% investment credit is available for property used in **employee child-care facilities**. See FYI Income 7.

A 10% investment credit is available for all taxpayers for investment in a qualified **school-to-career program**. See FYI Income 32.

The enterprise zone job training credit is 10% of the total current year investment in a qualified job training program. See FYI Income 31.

A 50% credit is available for the construction, reconstruction or acquisition of an **alternative fuel refueling facility**. See FYI Income 9.

The **Colorado works program credit** is 20% of an employer's expenditures to employ recipients of public assistance. See FYI Income 34.

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

A credit is available for donations of Colorado **conservation easements.** See FYI Income 39.

A credit is available for expenditures made to **redevelop contaminated land** in Colorado. See FYI Income 42.

A credit is available for owners of qualified **low-income housing** developments. See FYI Income 46.

A credit is available for monetary contributions to the Colorado **High Technology Scholarship** Program. See FYI Income 47.

A credit is available for monetary contributions to the **individual development account** program in Colorado. See FYI Income 45.

A credit is available for investment in **agricultural value-added** projects. See FYI Income 49.

A credit is available for contributions to the **agriculture value-added cash fund** in Colorado. See FYI Income 49.