

# 2007 Colorado Severance Tax

## Forms and Instructions

*This booklet contains:*

**Form DR 21**

Oil and Gas Severance Tax Return

**Form DR 21D**

Oil and Gas Severance Tax Computation Schedule

**Form DR 21PD**

Detail Information for Producers

**Form DR 21S**

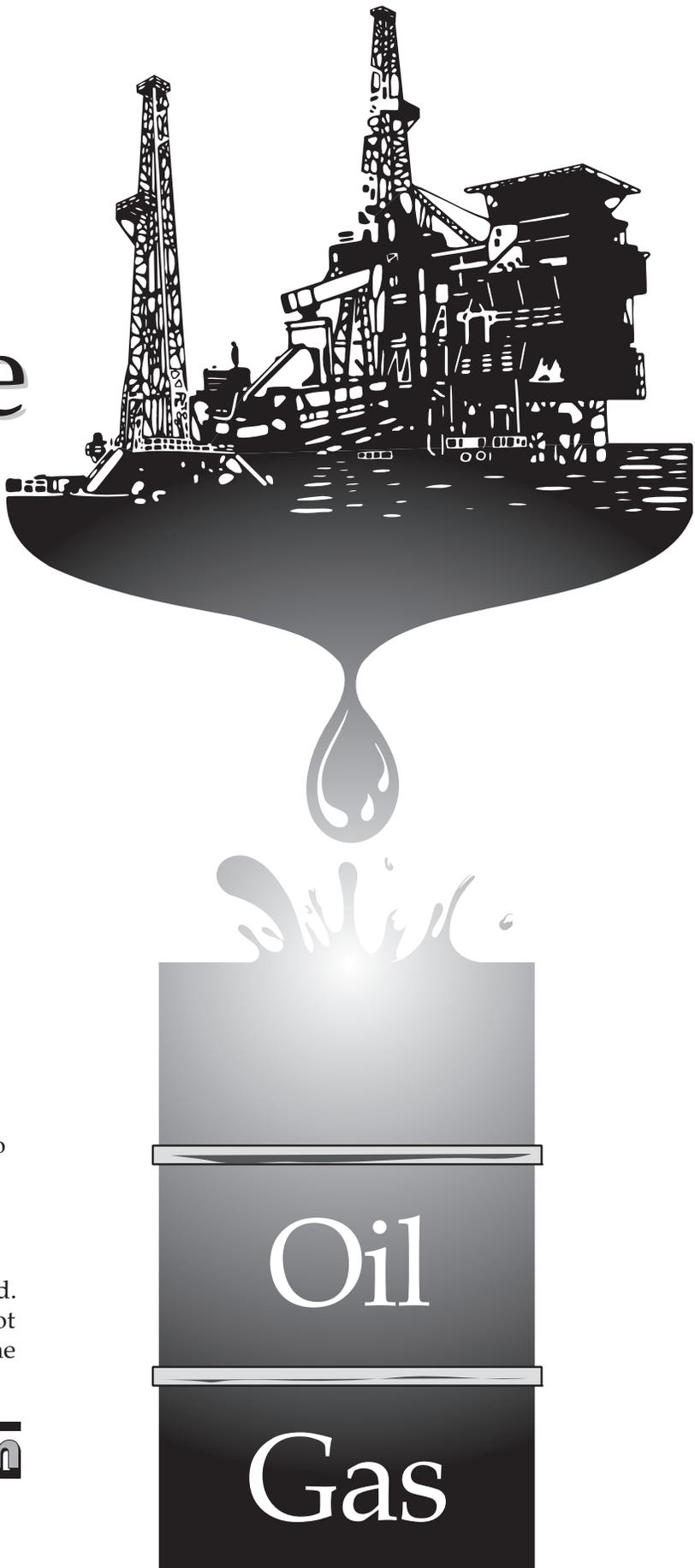
Application for Extension of Time to File Colorado  
Severance Tax Return

*Severance Tax Forms*

All forms in this booklet may be photocopied.  
Other severance tax forms and schedules not  
included in this booklet can be accessed on the  
Web at:

**TaxColorado.Com**

Colorado Department of Revenue  
Tax Forms, Information and E-Services



# GENERAL INFORMATION

## WHAT IS THE COLORADO SEVERANCE TAX?

Colorado severance tax is imposed upon nonrenewable natural resources that are removed from the earth in Colorado. The tax is calculated on the gross income from oil and gas and carbon dioxide production.

## WHO MUST FILE THE COLORADO SEVERANCE TAX OIL AND GAS RETURN (DR 21)?

Anyone who receives taxable income from oil or gas produced in Colorado. If you are a producer or own a working interest, or a royalty interest in any oil or gas (including carbon dioxide) produced in Colorado, or if you receive royalties on Colorado oil shale, you must pay severance tax to the State of Colorado. Severance tax might be due even though you do not realize a net profit on your investment.

**A limited partnership, LLC or S Corporation** must file at the entity level. Partners, members, or shareholders do not file a severance tax return to report oil and gas income received by the pass-through entity.

Oil and gas production from "**stripper wells**" is exempt from severance tax. This includes oil from a well that produces 15 barrels or less of crude oil per day or gas from a well that produces 90,000 cubic feet or less of gas per day, for the average of all producing days during the taxable year.

### Note: General Partnerships

Since withholding is required on the individual partner (as the entity with the income interest), each partner, and **not** the partnership, is required to file the return.

**One exception** exists to the filing requirement. It is not necessary to file a Severance Tax return if you meet both of the following conditions:

1. your total gross oil and gas income for any calendar year is less than \$500; **and**
2. the producer has withheld sufficiently from your royalty or production payments to cover your severance tax liability.

## HOW WILL I KNOW HOW MUCH HAS BEEN WITHHELD FROM MY OIL AND GAS INCOME PAYMENTS?

Producers or first purchasers who disburse funds must withhold 1 percent of the gross income of **all** interest owners. This includes royalty, working or any other interest owner.

The producer or first purchaser is required to send you an "Oil and Gas Withholding Statement" (DR

21W) by **March 1 of each year**. This form lists your gross income and the amount of severance tax the producer has withheld and paid to the state from your royalty or production payments. If you own an interest in more than one well or field, you should receive a separate withholding statement from each producer or first purchaser. A copy of each withholding statement **must** be attached to your severance tax return (DR 21).

The producer or first purchaser also will list your share of "ad valorem" taxes, if any, on the withholding statement. Ad valorem taxes are paid by the producer to local governments (cities and counties). You are allowed a credit against severance tax of 87.5% of your share of ad valorem taxes paid or assessed on actual oil or gas production (not the tax on facilities or equipment). However, **ad valorem taxes on production from "stripper wells" should not be included in the credit**. Specific instructions for this deduction are on the "Colorado Oil and Gas and Carbon Dioxide Severance Tax Schedule" (DR 21D). You should verify that the withholding statements accurately report the same information as shown on your division of interest statements and revenue checks.

### Note: Partners of a General Partnership

Partners of a General Partnership should attach a copy of the partnership's DR 21W and a schedule detailing their individual portion of gross income and taxes paid or withheld as reported on their individual returns.

## WHAT IS MY TAX YEAR?

Your federal income tax year or filing period is also your severance tax year or filing period.

## WHEN IS THE COLORADO SEVERANCE TAX RETURN DUE?

You must complete and file a "Colorado Severance Tax Return" (DR 21) annually. The return and your payment if any are due by the 15th day of the fourth month after the close of your taxable year. Therefore, if your taxable year ends on December 31, your severance tax return is due April 15 of the following year. The envelope must be postmarked by the due date, or the next business day if the deadline falls on a Saturday, Sunday or holiday.

Mail your Colorado severance tax return and, if applicable, tax payment to:

**Colorado Department of Revenue  
Denver, CO 80261-0007**

## GENERAL INFORMATION

### ***CAN I GET AN EXTENSION OF TIME FOR FILING THE SEVERANCE TAX RETURN?***

**Yes.** If you are unable to complete your severance tax return by the filing deadline and you estimate that you will owe severance tax, you can request a **six-month extension** by filing **form DR 21S included as page 11 of this booklet**. Form DR 21S is an extension of time for filing your return. It is not an extension of time for paying your severance tax.

An extension of time for filing your federal or Colorado income tax return **does not** qualify as an extension of time for filing your severance tax return if you owe severance tax. **If no balance of severance tax is due**, an extension for filing is not required.

### ***CAN I AMEND MY COLORADO SEVERANCE TAX RETURN?***

**Yes.** A change or correction on your return must be reported on form DR 21X, which is available on the web at [taxcolorado.com](http://taxcolorado.com)

### ***CAN I FILE SEVERANCE TAX RETURNS FOR PRIOR YEARS?***

**Yes.** However, the statute of limitations for claiming a severance tax refund is three (3) years from the due date.

### ***ARE ESTIMATED SEVERANCE TAX PAYMENTS REQUIRED?***

**Corporations** who expect their Colorado severance tax liability for the year to exceed their Colorado severance credits by \$1,000 or more are required to make estimated tax payments. Estimated tax payments are due each month by the 15th day of that month and must be submitted via Electronic Funds Transfer (EFT). A paper voucher for these tax payments is not required; the EFT transaction is the filing. You may obtain information (DR 5782) and an application (DR 5785) for EFT transactions at [www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=eft](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=eft)  
**Individuals are not required to make estimated payments for severance tax.**

### ***HOW DO I FILE ON BEHALF OF A DECEASED TAX-PAYER?***

If you are a surviving spouse or legal representative of someone who died during 2007, you may file a

return on the deceased's behalf. Write "deceased" across the top of the return and the date of death next to the deceased person's name. Additionally, you must sign the return and write "filing as surviving spouse" or "filing as legal representative" by your signature.

**Any person other than the surviving spouse** who files a return and requests a refund on behalf of a deceased person must file **form DR 102**, available from the Department of Revenue, and a **copy of the death certificate** with the return.

### ***HOW LONG SHOULD I KEEP MY SEVERANCE TAX RECORDS?***

Keep all records you used in preparing your return for at least 3 years after the due date or filing date of your return, whichever is later. If your return is audited by the Colorado Department of Revenue, you must be able to provide back-up documents for all claims and credits listed on your return. Please note that you are not protected from audit adjustments to your severance tax return simply because an operator or purchaser supplied the information. Also, the Department of Revenue may request copies of your Federal and Colorado income tax return or other documentation in connection with your Colorado severance return.

### ***HOW DO I REPORT OIL SHALE ROYALTY PAYMENTS?***

Oil shale is not currently produced in Colorado. If you have received royalties on Colorado oil shale for prior years, please contact the Department of Revenue for assistance in filing the severance tax return.

### ***DO I ALSO HAVE TO PAY COLORADO STATE INCOME TAXES ON MY OIL AND GAS INCOME?***

**Yes.** Severance tax is different from income tax. If you receive oil, gas, or CO<sub>2</sub> income from Colorado sources you must also complete and file a Colorado state income tax return. Contact the Department of Revenue for the state income tax form 104. **DO NOT CLAIM SEVERANCE TAX WITHHOLDING AS A TAX CREDIT ON YOUR COLORADO INCOME TAX RETURN.**

# INSTRUCTIONS FOR PREPARING SEVERANCE TAX FORM DR 21

## WHO MUST FILE

Every individual, corporation, business trust, limited partnership, LLC, partner in a general partnership, association, estate, trust or any other legal entity that received income from oil and gas produced in Colorado must file a severance tax return. The return must be made for the same tax year used for federal income tax purposes and is due on or before the 15th day of the fourth month following the end of the taxable year. See general information section for exception.

### Controlled Group

In the case of a controlled group of corporations as defined in section 613A of the Internal Revenue Code **or of a family (man, woman, and/or minor children) where more than one member of the group or family is subject to the severance tax, the tax must be jointly computed and the severance tax return must be jointly filed** under the name of the principal taxpaying corporation, the married couple or the single adult. Form DR 21AS, available upon request from the Department of Revenue, must be attached in the case of a controlled group of corporations.

## SOCIAL SECURITY OR

### COLORADO ACCOUNT NUMBER

*Individuals must use a social security number as the Colorado account number.*

**TAX AND CREDIT** - Complete schedule DR 21D first to calculate your severance tax.

1. **Oil and Gas Severance Tax:** Enter on line 1 your net tax from line 5 of schedule DR 21D.
2. **Impact Assistance Credit:** A credit against the severance tax is allowed with respect to contributions of property or money to units of local government for planning, including financial, architectural, and engineering services, construction, or expansion of public facilities such as municipal roads, schools, recreation facilities, police and fire protection facilities and hospitals which are deemed to be necessary because of a new severance operation or the increase in production at an existing operation. The amount of the credit must be certified by the Executive Director of the Department of Local Affairs. Enter your Impact Assistance Credit for the year on line 2.
3. **Net Tax:** Subtract line 2 from line 1, and enter the difference on line 3. If line 2 is larger than line 1, enter zero.

**BE SURE TO SIGN YOUR RETURN! IF FILING A JOINT RETURN, BOTH SPOUSES MUST SIGN.**

**TO ENSURE PROPER PROCESSING, PLEASE INCLUDE YOUR ACCOUNT NUMBER ON THE RETURN.**

## PREPAYMENTS

4. **Severance Tax Withheld:** Enter on line 4 the total amount shown on all of your oil and gas withholding statements (DR 21W forms) as Colorado severance tax withheld. Be sure to attach your DR 21W forms to your return; missing DR 21Ws will delay your refund. **Do not claim credit for conservation tax or ad valorem taxes on this line.**
5. **Estimated Tax Payments:** Every corporation subject to severance tax must remit monthly estimated tax payments, if its severance tax liability for the taxable year can reasonably be expected to exceed \$1,000, plus any severance tax withheld. Enter on line 5 the total amount of your estimated tax payments made for the taxable year.

## REFUND OR BALANCE DUE

7. **Refund:** If line 6 is more than line 3, you are entitled to a refund. Subtract line 3 from line 6 and enter the difference on line 7. The State of Colorado will send you a refund check for this amount if your form is properly completed.
8. **Refund Applied to Future Period:** Corporations enter on line 8 the amount of refund, if any, you wish credited to estimated severance tax payment for next year.
9. **Tax You Owe:** If line 3 is more than line 6, you have additional tax to pay. Subtract line 6 from line 3 and enter the difference on line 9. This is the amount you owe. Attach to your return a check or money order in this amount payable to the Colorado Department of Revenue. **Be sure to write your Colorado account number on your check or money order to ensure credit for your payment.**
10. **Interest:** If the return is filed after the due date, interest at the current statutory rate will accrue on any balance of tax due until paid. The interest rate is 11% per year if we bill you and your payment is made more than 30 days after you receive your bill. If you pay your tax with your return or within 30 days of receiving a bill, the interest rate is 8% per year. Enter the amount of late filing interest on line 10.
11. **Penalty:** The penalty on any late filed return with a balance of tax due is \$30.00 or 30% of the balance of tax due, whichever is greater. Enter the amount of late filing penalty on line 11.

**(53)**  
**FORM DR 21 — 2007**  
**COLORADO SEVERANCE TAX**  
**RETURN**  
**OIL and GAS**

**16**

For calendar year 2007  
 or other tax year beginning \_\_\_\_\_, 2007, ending \_\_\_\_\_, 200\_\_.

Last Name (or Corporation Name)		First Name and Middle Initial		Social Security Number or Colorado Account No.
Yourself				
Your Spouse (see controlled group definition)				Spouse's Social Security Number
Address				Federal Employer ID Number
City	State	ZIP Code	Telephone ( )	

Are you a producer of Colorado Oil or Gas?  YES  NO

**ROUND TO  
THE NEAREST  
DOLLAR**

**TAX and CREDIT – Complete schedule DR 21D first.**

- 1. Oil and Gas, enter amount from line 5, DR 21D ..... (34) .00
- 2. Impact Assistance Credit ..... (43) .00
- 3. Net Tax, line 1 minus line 2 but not less than zero ..... .00

**PREPAYMENTS**

- 4. Severance Tax withheld, attach forms DR 21W ..... (36) .00
- 5. Estimated Tax Payments (corporations only) ..... (38) .00
- 6. Total prepayments, add lines 4 and 5 ..... .00

**REFUND OR BALANCE DUE**

- 7. If line 6 is larger than line 3, enter the difference here. This is your severance tax refund ..... (41) .00
- 8. Enter amount of refund, if any, you wish credited to Estimated Tax for next year (corporations only) ..... (42) .00
- 9. If line 3 is larger than line 6, enter the balance due here. This is the amount of severance tax you owe ..... .00
- 10. Interest on balance due (see instructions) ..... (40) .00
- 11. Penalty on balance due (see instructions) ..... (01) .00
- 12. Total amount due, add lines 9, 10, and 11 ..... (48) .00

(Paid by EFT )

**MAIL YOUR SEVERANCE TAX RETURN SEPARATELY FROM YOUR INCOME TAX RETURN.**

**MAKE CHECKS PAYABLE TO:** Colorado Department of Revenue. The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

**Under penalty of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge and belief it is true, correct, and complete.**

Name, address and telephone number of person preparing return:

Signature of Individual Taxpayer	Date
Spouse's Signature	Date
Signature of Corporate Officer	Date

ATTACH DR 21-W WITHHOLDING FORMS



# INSTRUCTIONS FOR PREPARING SEVERANCE TAX SCHEDULE FORM DR 21D

## PURPOSE OF FORM

Use form DR 21D to calculate the amount of Colorado severance tax to enter on line 1 of form DR 21.

Based on your accounting method (cash or accrual basis), use the amounts listed on the forms DR 21W you received to complete form DR 21D. **If you disagree with the information provided by a producer/first purchaser, you must request a corrected form DR 21W prior to completing form DR 21D. Round all amounts to whole dollars.**

## COLUMN

- (A) **PRODUCER NAME.** Enter in column (A) the name of the producer/first purchaser from each form DR 21W. All information entered on form 21D **must** have a form DR 21W included with the return.
- (B) **GROSS INCOME.** Enter in column (B) the gross income as reported on form DR 21W. This is your share of the gross income **received or accrued** on oil or gas production.
- (C) **GROSS INCOME ATTRIBUTABLE TO STRIPPER WELL PRODUCTION.** Enter in column (C) the gross income attributable to stripper well production as reported on form DR 21W.
- (D) **NET GROSS INCOME.** Enter in column (D) the net gross income by subtracting the stripper well gross income listed in column (C) from the gross income listed in column (B).
- (E) **AD VALOREM TAX.** Enter in column (E) the ad valorem tax as reported on form DR21W. This is the amount paid or accrued to Colorado local governments in the taxable year on oil and gas production. **Do not include ad valorem tax on buildings, improvements, or equipment.** A percentage of ad valorem tax is allowed as a reduction to the severance tax.
- (F) **AD VALOREM TAX ATTRIBUTABLE TO STRIPPER WELL PRODUCTION.** Enter in column (F) the ad valorem tax attributable to stripper well production as reported on form DR 21W.
- (G) **NET AD VALOREM TAX.** Enter in column (G) the net ad valorem tax by subtracting the stripper well ad valorem tax listed in column (F) from the ad valorem tax listed in column (E).

**Reporting revenue and ad valorem taxes in the correct tax year is critical to filing a correct return. Please review the following information.**

**Cash or Accrual Basis.** Oil and gas revenue and related ad valorem tax must be reported on a basis consistent with the basis used for filing your federal income tax return. Thus, if you are a **cash basis federal** taxpayer, reporting income when received and deductions when paid, you must report the same way on the severance tax schedule (form DR 21-D). You should include only the income received in the tax period and all income received, even if it is from prior period production or it is take or pay payments for future production. If you use the **accrual basis**, you must report income from all production in the tax period whether you actually received the income or not, including deferred amounts if they are reported on the federal income tax return.

### Reporting Ad Valorem Tax. (This information applies to the following examples.)

- 2005 - year of oil or gas production.
- Dec., 2006 - ad valorem tax **levy assessed** on 2005 production ..... \$1,000
- April, 2007 - ad valorem tax **paid** on 2005 production ..... \$1,000
- Ad valorem tax related to 2005 production from stripper wells ..... \$250

**Cash Basis Taxpayers.** Report only ad valorem tax (on production) actually paid to the county assessor during the severance tax year. Payments to operators of wells do not qualify, only actual payments to the assessor. If a payment is skipped during a tax year, (i.e., delinquent) no claim for tax is allowed. Catch up or double payments must all be claimed in the year paid and cannot be carried back or forward.

**Example 1.** Taxpayer files a severance tax return for the **calendar year 2006 or fiscal year ending in 2006** based upon information given above.

**Result:** Taxpayer cannot claim ad valorem tax on 2006 return since the tax was not **paid** in the taxpayer's tax year.

**Example 2.** Taxpayer files a severance tax return for the **calendar year 2007 or fiscal year ending April or later in 2007.**

**Result:** Since the tax was **paid** in the tax year, 2007, taxpayer may report ad valorem tax of \$750.

(INSTRUCTIONS CONTINUED ON PAGE 8)



# INSTRUCTIONS FOR PREPARING SEVERANCE TAX SCHEDULE FORM DR 21D

## Calculation:

Ad valorem tax **paid** in tax year ..... \$1,000  
less ad valorem tax related to stripper-well  
production ..... (\$250)  
Total ad valorem tax reported on  
2007 return ..... \$750

**Accrual Basis Taxpayers.** Report only ad valorem tax (on production) levied, or assessed, within the severance tax year. In November or December, depending upon the year, the Colorado counties set the mill levy for assessment of ad valorem tax on the prior year's oil and gas production. **The ad valorem tax is not accruable until the amount is established on that date.**

**Example 3.** Taxpayer files an accrual basis severance tax return for **calendar year 2006**.

**Result:** Since the levy / assessment date is in the tax year, 2006, taxpayer may report ad valorem tax of **\$750**.

## Calculation:

Ad valorem tax **assessed** in tax year ..... \$1,000  
less ad valorem tax related to stripper-well  
production ..... (\$250)  
Total ad valorem tax reported on  
2006 return ..... \$750

**Example 4.** Taxpayer files an accrual basis severance tax return for **calendar year 2007**.

**Result:** Taxpayer cannot claim any ad valorem tax on this return since the accrual date is not within the tax year. (Taxpayer could report the ad valorem tax assessed on a fiscal year 2007 return that includes the levy date. i.e., July 2006 - June 2007 fiscal year.)

**Short Period Returns.** Because Severance Tax requires filing periods consistent with Federal Income Tax filing years, some companies may have to file short period severance tax returns to match their federal filings. The same ad valorem rules apply. If no payment (cash basis) or accrual date (accrual basis) falls within the short tax period, no claim for ad valorem tax is allowed. (Also, if the levy or payment date **does** fall in the short period, all the tax applies to only that short period.)

**Example 5.** A **cash basis** taxpayer files a severance tax return for the **short period of August 2006 - December 2006**.

**Result:** Taxpayer cannot claim any ad valorem tax; the tax payment date is not within the short filing period.

**Example 6.** An **accrual basis** taxpayer files a severance return for the **short period of August 2006-December 2006**.

**Result:** Since the accrual date is within the short period, taxpayer may claim all ad valorem tax of **\$750**.

## Calculation:

Ad valorem tax **assessed** in tax year ..... \$1,000  
less ad valorem tax related to stripper-well  
production ..... (\$250)  
Total ad valorem tax reported on  
short period return ..... \$750

## LINE

- 1. NET GROSS INCOME.** Total all amounts in column (D).
- 2. TAX.** Compute the tax on the income on line 1 using the tax rate schedule. In the case of a controlled group of corporations as defined in section 613A of the Internal Revenue Code or a **family consisting of a man, woman and/or their minor children, where more than one member of the group or family is subject to the severance tax, the tax must be jointly determined and filed.** In the case of a controlled group of **corporations**, attach form DR 21-AS (Affiliation Schedule) to the return.
- 3. NET AD VALOREM TAX.** Total of net ad valorem taxes entered in column (G). Check whether your accounting method is on a cash basis or accrual basis. (See instructions for column (E).)
- 4. AD VALOREM TAX CREDIT.** Enter 87.5% of line 3.
- 5. NET TAX ON OIL AND GAS INCOME.** Enter the difference of line 2 less line 4. (If line 4 is larger, enter 0.) Enter here and on line 1 of form DR 21.

**To expedite** the processing of your severance tax return, attach all documentation to support ad valorem taxes, gross income and severance tax withheld.

Mail your severance tax return and payment, if any, separately from your Colorado income tax or any other tax return.

# INSTRUCTIONS FOR PREPARING SEVERANCE TAX SCHEDULE FORM DR 21PD

## PURPOSE OF FORM

The DR 21PD form is an informational schedule required by the Department of Revenue to document the gross income and deductions from properties where the taxpayer is the producer and/or operator. This form details the transportation, processing and manufacturing costs deducted from gross income.

## COLUMN

- (A) **SOURCE OF INCOME.** Enter in column (A) the well, tract, lease or field name that identifies the revenue source. All well operators must list income on a well by well basis. If you are filing from information on withholding form DR 21W, enter the name of the payor. When claiming a stripper well exemption for production from a particular well, you must record each well on one line, or provide detail on a well basis with the return. In other cases the well, tract, lease or field identifier may be used as you desire.
- (B) **API NUMBER.** Enter in column (B) the American Petroleum Institute well number of the income source.
- (C) **TYPE OF OWNERSHIP.** Indicate in column (C) whether your ownership is a royalty interest (RI) or working interest (WI).
- (D) **PERCENTAGE OF OWNERSHIP.** Enter in column (D) your percentage of ownership.

**PRODUCTION.** If you are a producer or own a working interest, or claim stripper well exemptions, enter:

- (E) **BARRELS OF OIL-GROSS.** Enter in column (E) your share of gross barrels of oil produced. Include both taxable and exempt production.
- (F) **BARRELS OF OIL - STRIPPER OIL EXEMPTION.** Enter in column (F) that part of the gross barrels of oil that is from a qualified Colorado stripper oil well. The oil production from any well that produces fifteen barrels or less of crude oil per day for the average of all producing days in your tax year is exempt from severance tax. (Records to prove the production on a single stripper well basis are necessary to establish your right to this exemption.)
- (G) **MCF GAS - GROSS.** Enter in column (G) your share of gross natural gas, coalbed methane, and carbon dioxide produced in thousand cubic feet.
- (H) **MCF GAS - STRIPPER GAS PRODUCTION.** Enter in column (H) that part of the gross MCF gas that is from a qualified Colorado stripper gas well. The gas production from any well that produces 90,000 cubic feet or less of gas per day for the average of all producing days in your tax year is exempt from severance tax. (Records to prove the production on a single stripper well basis are necessary to establish your right to this exemption.)

- (I) **TRANSPORTATION.** Enter in column (I) the amount of transportation costs the taxpayer is claiming as a deduction from gross income.
- (J) **PROCESSING AND MANUFACTURING.** Enter in column (J) the amount of processing and manufacturing costs the taxpayer is claiming as a deduction from gross income.
- (K) **AD VALOREM TAX.** Round all amounts to whole dollars. Based on your accounting method (cash or accrual basis), enter in column (K) your share of ad valorem tax paid or accrued to Colorado local governments in the taxable year on oil and gas production. **Do not include ad valorem tax on buildings, improvements, or equipment. Also, do not include ad valorem tax related to exempt stripper - well production.** A percentage of ad valorem tax is allowed as a reduction to the severance tax.
- (L) **GROSS INCOME.** Round all amounts to whole dollars. **Based on your accounting method of cash or accrual basis,** enter in column (L) your share of the gross income **received or accrued** on oil or gas production. **Do not include gross income from exempt production from stripper wells.** Report the gross amount of oil shale royalties before any deductions.



# AUTOMATIC EXTENSION OF TIME FOR FILING COLORADO SEVERANCE TAX RETURN

Colorado severance 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 severance 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.

Use form DR 21S to make a payment that 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 DR 21S.

Submit form DR 21S with payment to:  
Colorado Department of Revenue  
Denver, Colorado 80261-0007

## WORKSHEET

1. Tentative amount of tax for the taxable year after reduction for the impact assistance credit (if any) ..... \$ \_\_\_\_\_
2. Less: (a) Severance tax withheld ..... \$ \_\_\_\_\_  
           (b) Estimated tax payments ..... \$ \_\_\_\_\_  
           (c) Total (a) and (b) ..... \$ \_\_\_\_\_
3. Balance to be remitted with this request for extension, line 1 minus line 2 (c).  
    Enter on line 1 and 2, Form DR 21S, below. Claim credit for this payment on line 7 of form DR 20  
    or line 5 of Form DR 21 ..... \$ \_\_\_\_\_



IF NO PAYMENT IS DUE, DO NOT FILE FORM DR 21S  
CUT ALONG THIS LINE - RETURN LOWER PORTION

(59)

**DR 21S** (10/15/07)  
COLORADO DEPARTMENT OF REVENUE  
DENVER CO 80261-0007

# 16

**FOR SEVERANCE TAX ONLY**

**Extension Payment Voucher For Colorado  
SEVERANCE Tax Return for Tax Period \_\_\_\_\_**

Name			Social Security or Colorado Account No.	
Address			Spouse's Social Security Number	
City	State	ZIP	Federal Employer I.D. Number	
<b>IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM</b>				
The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.			<b>1. Type of tax – Check one:</b> <input type="checkbox"/> Metallic Minerals ..... (31)     \$ ..... .00 <input type="checkbox"/> Coal ..... (33)                             \$ ..... .00 <input type="checkbox"/> Oil and Gas ..... (34)                         \$ ..... .00	
			<b>2. Payment due ..... (48)</b> <b>\$ ..... .00</b>	

DO NOT WRITE IN SPACE BELOW

COLORADO  
DEPARTMENT OF REVENUE  
DENVER CO 80261-0007



PRSRT STD  
U.S. POSTAGE  
**PAID**  
COLORADO DEPT  
OF REVENUE



**Colorado Department of Revenue**  
**Tax Forms, Information and E-services**

**DEPARTMENT OF REVENUE TELEPHONE NUMBERS**

**Income and Business Tax Self-Service Information**  
**(303) 238-FAST(3278)**  
**24 hours a day, every day**

**Assistance (303) 238-SERV(7378)**  
**Monday-Friday (8:00 A.M. - 4:30 P.M.)**

**FORMS AND INFORMATION ARE AVAILABLE AT THESE SERVICE CENTERS:**

Colorado Department of Revenue  
1375 Sherman Street  
Denver, CO 80261-0007

Fort Collins Service Center  
1121 W. Prospect Rd., Bldg. D

Pueblo Service Center  
310 E. Abriendo Ave., Suite A4

Colorado Springs Service Center  
4420 Austin Bluffs Parkway

Grand Junction Service Center  
222 S. 6th Street, Room 208