

Income Tax - Military Serviceperson

I am stationed in Colorado but am a resident of another state. How do we file our Colorado income tax return?

The Colorado income tax filing status (joint or separate) must conform with the status used for federal income tax filing purposes. For example, if a taxpayer and spouse filed a joint federal return, they must file a joint Colorado return. If a taxpayer and spouse filed separate federal returns, they must file separate Colorado returns. The couple will determine their Colorado tax by computing what the tax would have been if they were both full year residents. They will then apportion this tentative tax in the ratio of the income taxable in Colorado to their total income. The income taxable in Colorado will include all of the income of a full year resident spouse plus any nonmilitary income earned in Colorado by a nonresident spouse. This tax calculation is performed on the 104PN schedule that is attached to the Colorado Individual Income Tax Return Form 104.

If the nonmilitary spouse is in Colorado solely to accompany their active duty spouse, any wages and tips earned in Colorado may or may not be taxable in Colorado. See FYI Income 21 for further details.