



FYI Income 13

A Resident Married to a Nonresident or Part-Year Resident and Filing Jointly

GENERAL INFORMATION

A resident taxpayer and nonresident or part-year resident spouse must file a joint Colorado income tax return if they file a joint federal income tax return. Use the nonresident or part-year resident tax computation rules found on Form 104PN. This form can also be found in the Individual Income Tax Booklet (104). Both the 104 and the 104PN schedule must be completed and filed with the Colorado Department of Revenue.

WHO IS A PART-YEAR RESIDENT?

A part-year resident is an individual who was a resident of Colorado for only part of the tax year. This includes people who moved into Colorado with the intention of making their home here and also Colorado residents who moved out of Colorado at any time during the income tax year with the intention of making their home elsewhere. Part-year residents are required to file a Colorado income tax return if they are required to file a federal income tax return and had taxable income during that part of the year they were a Colorado resident.

WHO IS A NONRESIDENT?

Nonresidents are individuals who did not consider their home to be in Colorado at any time during the tax year even though they may have temporarily resided and/or worked in Colorado. Nonresidents are required to file a Colorado income tax return if they are required to file a federal income tax return and had Colorado-source income. Colorado-source income is defined as any income received for work or services performed in Colorado or performed in part in Colorado, or business income from Colorado, or rents, royalties, capital gains, partnership income, S corporation income, or income from an estate or trust from Colorado sources. [§39-22-109, C.R.S.].

APPORTIONING THE TAX

Compute a tentative tax as if both individuals were full-year residents. Then use the 104PN to compute the Colorado tax liability. Enter in the Colorado column the full year income of the resident spouse plus the income reportable to Colorado, if any, by the part-year or nonresident spouse. Use the 104PN to compute the ratio of the joint modified federal adjusted gross income reportable to Colorado to the total joint modified federal adjusted gross income. The apportioned tax should be entered on the 104 Form. Attach the 104PN to the 104 when it is sent to the Department of Revenue. The sample 104PN illustrates the computation method.

Example: Taxpayer Vernon Jones was a full-year Colorado resident during 2006. His income consisted of wages of \$53,000, interest and dividends of \$1,516, and a capital gain of \$58. On June 14, 2006, he married Mary Anne Dittweiler, a resident of Florida, who moved to Colorado to make her home with Vernon. Mary Anne earned \$8,619 in Florida before her marriage and \$11,813 after finding a job in Colorado. Additionally, she had partnership income of \$16,250 which is prorated 54.8% to Colorado, based on the number of days of her residency in Colorado. Their Colorado taxable income from Form 104 was \$75,856 and their full-year tax would have been \$3,512. Their 104PN would be completed as shown in the worksheet example on page 2.

104PN	Federal Column	Colorado Column
4. Wages	\$73,432	
5. Colorado Wages		\$64,813
6. Interest	\$ 1,516	
7. Colorado Interest		\$ 1,516
10. Capital Gain	\$58	
13. Colorado Gain		\$58
16. Partnership Income	\$16,250	
17. Colorado Partnership Income		\$ 8,905
20. Total Income	\$91,256	
21. Total Colorado Income		\$75,292
24. AGI	\$91,256	
25. Colorado AGI		\$75,292
32. Modified AGI	\$91,256	
33. Modified Colorado AGI		\$75,292
34. Percentage		82.506%
35. Tentative Tax		\$ 3,512
36. Apportioned Tax		\$ 2,898

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