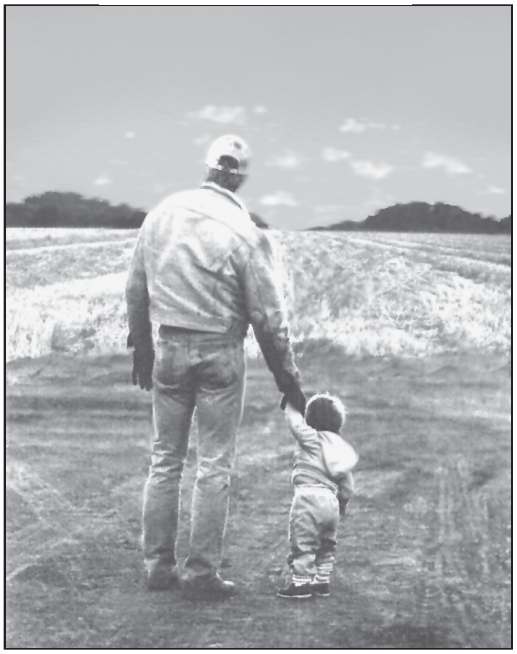
COLORADO PARTNERSHIP OR S CORPORATION RETURN OF INCOME

AND COMPOSITE NONRESIDENT INCOME TAX RETURN

TaxColorado.com

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

2009



- Return is due three and one-half months after the close of the tax year. **MAIL TO: Colorado Department of Revenue, Denver, Colorado 80261-0006.**

- Partnerships and S corporations with nonresident members should file a composite return for those members. Complete lines 10-23 of Form 106 to pay the tax on the Colorado source income.
  - > No other forms must be completed.
  - > No special election or signature is required by the member for inclusion.
  - > Members do not have to file a Colorado individual return.

  In lieu of a composite return, there are two other options that partnerships and S corporations can use to meet the nonresident member filing requirements. However, these options require additional forms and cannot be used if the member will not be filing a Colorado individual return. See page 4 for details.

Modernized e-File (MeF) Partnership/S-Corporation Electronic Filing
Both Federal and Colorado returns
For information, see
www.TaxColorado.com
Online Services, Partnership e-file

Colorado Online Tax Payments
For information, see
www.colorado.gov/paytax

DR 0107 (09/21/09)
COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0006
www.TaxColorado.com

2009 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 a 2009 Colorado income tax return 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

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.

DETACH FORM ON THIS LINE

IF NO PAYMENT IS DUE, DO NOT FILE FORM DR 0108
▼ RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT ▼

(0018)

FORM DR 0108 (09/21/09)
COLORADO DEPARTMENT OF REVENUE
www.TaxColorado.com

Statement of Colorado Tax Remittance For Nonresident Partner or Shareholder

70

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Enter on Form DR 0108 the name and social security number or Colorado account number of the non-resident partner or shareholder who will ultimately claim this payment. Please read **FYI Income 54** before filling Form DR 0108. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Nonresident Partner's or Shareholder's Name (Last Name, First Name, M.I.)		Social Security or Colorado Account Number
Address		
City	State	ZIP
Partnership or Corporation's Name		Colorado Account Number
Address		Federal Employer Identification Number
City	State	ZIP

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

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.

DO NOT WRITE IN SPACE BELOW

YOU MUST ROUND TO THE NEAREST DOLLAR

1. Colorado source income for nonresident partner or shareholder $ _____ .
2. Colorado tax remitted, 4.63% of amount on line1. **(08)** $ _____ .

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 an 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 158N is to be used to make whatever payment must be made by the original due date of the return to meet the 90% requirement. Use form 158N only to remit payment for those non-resident partners and shareholders who will be included in a composite return. Withholding payments for partners and shareholders not included in a composite return must be remitted using form DR 0108.

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 158N.

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

Submit Form 158N with payment to:

The Colorado Department of Revenue
1375 Sherman Street
Denver, CO 80261-0008

DO NOT SUBMIT FORM 158N WITHOUT A PAYMENT.

Be sure to round your payment to the nearest dollar. You must enter 00 after the decimal point. The amount on the check and the amount entered on the payment voucher must be the same. This will help maintain accuracy in your tax account.

ONLINE TAX PAYMENTS

You may make your extension payment by echeck or credit card at *www.colorado.gov/paytax*. Please note there is an additional fee if you decide to use this electronic payment method. This fee is paid to a third party who provides these services for Colorado.gov. Tax payments remitted via echeck, a direct debit from your checking account, will be subject to a $1.00 administrative processing fee. The processing fee for credit card transactions is 2.25% of the tax payment made, plus an additional $0.75 per transaction.

DETACH FORM ON THIS LINE

IF NO PAYMENT IS DUE, DO NOT FILE FORM 158N
▼ RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT ▼

(0049) FORM DR 158N (09/21/09)
COLORADO DEPARTMENT OF REVENUE
www.TaxColorado.com

Payment Voucher for Extension of Time for Filing a Colorado Composite Nonresident Income Tax Return

70

For the calendar year 2009 or the fiscal year: Start Date:_____, 2009 End Date:_____.

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your Colorado Account Number and "2009 Form 158N" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

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

IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM. **YOU MUST ROUND TO THE NEAREST DOLLAR**

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.

AMOUNT OF PAYMENT

DO NOT WRITE IN SPACE BELOW **(08)** $.

INSTRUCTIONS FOR COMPLETING FORM 106

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. Check the box at the top of the corrected Form 106. Include prior payments on line 16 of the corrected form.

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.

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 for further information.

NONRESIDENT PARTNERS/SHAREHOLDERS

A partnership or an S corporation is required to ensure that its nonresident partners and shareholders satisfy their Colorado income tax liabilities resulting from the Colorado source income earned by the pass through entity. This is accomplished in one of three ways:

- File a composite return on behalf of the nonresident members. The tax due on the composite filing shall be 4.63% of the Colorado-source income of the partners or shareholders included in the composite return.
- Provide a completed form DR 0107 each year for each nonresident partner/shareholder establishing that he/she will file a Colorado income tax return, or
- Provide a completed form DR 0108 for each nonresident partner/shareholder. Withhold 4.63% of each nonresident partner/shareholder's Colorado source income and submit the payment with form DR 0108. A separate DR 0108 must be submitted for each partner or shareholder for whom a payment is made.

You must indicate in Column 4 of Part III which of these three filing requirements has been elected by each nonresident partner/shareholder. Refer to FYI Income 54 for additional information on composite filing, the agreement to file form DR 0107, and the withholding form DR 0108.

ADDITIONAL INFORMATION AVAILABLE

All forms, FYIs and other information are available through the Tax Information Index at: *www.TaxColorado.com* or you can call for information at (303) 238-SERV(7378).

DECLARATION OF ESTIMATED TAX

Estimated payments are required if the tax attributable to any partner or shareholder included in a composite return is expected to exceed $1,000. Such estimate payments should be remitted with Form DR 0106EP.

DISTRIBUTIONS

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

APPORTIONMENT OF INCOME

A partnership or S corporation doing business in more than one state must apportion its Colorado source income to any states in which the entity is doing business. This ensures income is reported to the state in which the income is earned and taxable. See FYI Income 59 for details regarding the following apportionment methods.

Partnerships

Income is generally apportioned in one of two ways:

- Single sale factor
- Colorado–source income of nonresident individuals method

S Corporations

Income is generally apportioned using the single sales method.

Not Apportioning Income—A partnership or S corporation doing business only in Colorado will source 100% of its income to Colorado.

Single Sales Factor—All business income must be apportioned using a single factor sales. Non-business income may either be directly allocated to the appropriate state or treated as business income, subject to the single sales factor apportionment. Complete and attach Part IV to your return if you are apportioning income using the single sales factor apportionment method.

Colorado Source Income of Nonresident—Colorado source income apportioned under Section 39-22-109, CRS is computed by including income that is determined to be from Colorado sources. 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.

COMPLETING FORM 106

INCOME

LINE 1: Enter the ordinary income or (loss) from line 1 of federal Schedule K.

LINE 2: Enter 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, 4, 5, 6a, 7, 8, 9a, 10 and 11 of federal Schedule K. For S corporations, this would be the total of the amounts entered on lines 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 of federal Schedule K. Also include any gain from the sale of assets subject to section 179 that is not reported on Schedule K.

MODIFICATIONS AND DEDUCTIONS

LINE 3: Enter the Colorado modifications that increase federal income.

Enter 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.

LINE 5: Enter the allowable deductions from federal Schedule K. For partnerships, this would be the total of lines 12, 13c(2), and 13d of federal Schedule K; and for S corporations, this would be the total of lines 11, 12c(2), and 12d of federal Schedule K. Do not include amounts provided for informational pass through purposes only (e.g. domestic production activities deduction amounts).

Charitable contributions (line 13a, Schedule K, Form 1065, or line 12a, Schedule K, Form 1120S) and investment interest expense (line 13b, Schedule K, Form 1065, or line 12b, 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 4.63% tax of the nonresident partners or shareholders. Do not include any charitable deductions for the donation of a conservation easement that qualified for the gross conservation easement credit.

LINE 6: Enter 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.

Enter the modification for foreign source income of an export taxpayer. 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 50 percent or more 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 to the extent included in federal taxable income, the excludable 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.

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 SOURCE INCOME

LINE 9: Enter the Colorado source income. If part of the income is not Colorado source income, see the instructions for Apportionment of 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 its share of the partnership's income and factors in its own income and factors subject to allocation and apportionment.

COMPOSITE RETURN

Complete lines 10 through 23 of Form 106 only if a composite return is being filed for nonresident partners/shareholders.

LINE 10: Enter the Colorado source income of the nonresident partners/shareholders who are included in the composite return.

LINE 11: Enter 4.63% of the Colorado source income reported on line 10.

LINE 12: Enter the tax credits from Form 106CR that are allocated to the nonresident partners/shareholders included in the composite return. Do not include any gross conservation easement credit, which must be reported separately on line 13.

LINE 13: Enter the gross conservation easement credit from Form 106CR, line 36, that was allocated to the nonresident partners/shareholders included in the composite return. Attach forms DR 1303 and DR 1305 to the return. Submit form DR 1304 under separate cover.

LINE 16: Enter any estimated tax payments or extension payment submitted on behalf of the partners/shareholders included in the composite return.

LINE 17: If 90% of the tax is not paid by the due date, you must add a delinquent payment penalty. 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%.

LINE 18: Interest is due on any balance of tax due from the due date at the rate of 3% (6% if we bill you and you do not pay within 30 days).

LINE 19: The estimated tax penalty is computed for each partner or shareholder on Form 204. This penalty applies only when the tax due for an individual included in the composite filing is more than $1,000. If this penalty is due, attach Form 204 for each individual who owes the penalty and enter the total penalty on line 19.

LINE 20: Enter the balance due, including any penalty or interest due from lines 17, 18 and 19.

LINE 21: If the prepayments on line 16 exceed the tax due on line 15, enter the amount of the overpayment on line 21.

LINE 22: Enter the amount from line 21 you want to credit toward next year's estimated tax.

LINE 23: Enter the amount from line 21 you wish to have refunded at this time.

The Department can deposit your refund directly into your account at a U.S. bank or other financial institution (such as mutual fund, brokerage firm, or credit union) in the United States.

- Faster refund
- Safer refund–No check to get lost.
- Convenient–No trip to the bank.

your return AND use Direct Deposit. Get your refund in two weeks.

How do I use Direct Deposit? Complete the routing number, type of account and account number on line 48.

The **routing number** must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Your check may state that it is payable through a bank different from the financial institution at which you have your checking account. If so, do not use the routing number in that check. Instead, contact your financial institution for the correct routing number to enter on this line. The **account number** can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Do not include the check number.

You should contact your financial institution to make sure your deposit will be accepted and to obtain the correct routing and account numbers. This is especially important if you want your refund deposited to a savings account at a credit union. The Colorado Department of Revenue is not responsible for a lost refund if you enter the wrong account information. Any refund claim that, for any reason, cannot be deposited into the account specified will be issued and mailed in check form instead.

Departmental Use Only

2009 FORM 106
COLORADO PASS-THROUGH ENTITY AND COMPOSITE NONRESIDENT INCOME TAX RETURN
(0043)

● ☐ Check here if this is an amended return for calendar year 2009 or other tax year beginning_____, 2009, ending_____, 20___

Name of Organization			Colorado Account Number
Doing Business As			●
Address			Federal Employer I.D. Number
City	State	ZIP	●

If you are attaching a statement disclosing a listed or reportable transaction, check this box ● ☐

A This return is being filed for (check one) ● ☐ Partnership ☐ S Corporation ☐ LLC ☐ LP ☐ LLP ☐ LLLP ☐ Association ☐ Non-Profit

B Give beginning depreciable assets from federal return ● $ _____

C Give ending depreciable assets from federal return ● $ _____

D Business or profession _____

E Date of organization or incorporation _____

F Is this a final return, check this box? ☐

G If the I.R.S. has made any adjustments to your federal return or have you filed amended federal returns during the last four years, check this box ☐ Explain, if applicable _____

H Number of partners or shareholders as of year end _____

MAIL TO AND MAKE CHECKS PAYABLE TO:

Colorado Department of Revenue,
Denver, CO 80261-0006

PART I: COMPUTATION OF COLORADO INCOME

ROUND TO THE NEAREST DOLLAR

1	Ordinary income from line 1 federal Schedule K	1		.00
2	Total of all other income	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	Total of lines 5 and 6	7		.00
8	Line 4 minus line 7	● 8		.00
9	Colorado source income from (check one): ☐ Part IV; ☐ Other (attach explanation); ☐ Income is all Colorado income	● 9		.00

PART II: COMPOSITE NONRESIDENT INCOME TAX RETURN

Do not complete lines 10–23 unless you are filing a composite nonresident return.

10	Colorado source income of nonresident partners or shareholders electing to be included in this composite filing	● 10		.00
11	Tax; 4.63% of the amount on line 10	● 11		.00
12	106CR credits allocated to these partners/shareholders (exclude credit from line 13)	● 12		.00
13	Gross conservation easement credit allocated to these partners/shareholders	● 13		.00
14	Total of lines 12 and 13	14		.00
15	Net tax, line 11 minus line 14	15		.00
16	Prepayment credits	● 16		.00
17	Penalty, also include on line 20 if applicable	● 17		.00
18	Interest, also include on line 20 if applicable	● 18		.00
19	Estimated tax penalty, also include on line 20 if applicable	● 19		.00
20	If amount on line 15 exceeds amount on line 16, enter amount owed	● 20		.00
21	Overpayment, line 16 minus line 15	21		.00
22	Overpayment to be credited to estimated tax	● 22		.00
23	Overpayment to be refunded	● 23		.00

Direct Deposit

Routing number ☐☐☐☐☐☐☐☐☐ Type: ☐ Checking ☐ Savings

Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

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)

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.

Do not send 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 the election made by each nonresident
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
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		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed
		%	☐ Composite ☐ 0107 Attached ☐ 0108 Filed

If there are more than 16 partners or shareholders, photocopy and attach additional copies of this page as needed.

PART IV— APPORTIONMENT OF INCOME UNDER THE COLORADO INCOME TAX SINGLE FACTOR FORMULA

DO NOT SEND FEDERAL RETURN FORMS OR SCHEDULES WITH THIS RETURN

1 Total modified federal taxable income from line 8, Part I, page 1, Form 106 1

BUSINESS INCOME APPORTIONED TO COLORADO BY USE OF THE REVENUE FACTOR
DO NOT INCLUDE FOREIGN SOURCE REVENUES
MODIFIED OUT ON LINE 6, PART I, PAGE 1, FORM 106

		Colorado	Total
2	Gross sales of tangible personal property 2		
3	Gross revenue from services 3		
4	Gross rents and royalties from real property 4		
5	Gross proceeds from sales of real property 5		
6	Taxable interest and dividend income 6		
7	Gain from the sale of intangible personal property 7		
8	Patent and copyright royalties 8		
9	Revenue from the performance of purely personal services 9		
10	Total revenue (total of lines 2 through 9 in each column) 10		
11	Line 10 (Colorado) divided by line 10 (Total) 11		%

COMPLETE LINES 12 AND 15 ONLY IF NONBUSINESS INCOME IS BEING DIRECTLY ALLOCATED. IF ALL INCOME IS BEING TREATED AS BUSINESS INCOME, ENTER 0 (ZERO) ON LINES 12 AND 15.

12 Less income directly allocable NONBUSINESS INCOME ONLY

(a) Net rents and royalties from real or tangible real property .....
(b) Capital gains and losses .....
(c) Interest and dividends .....
(d) Patents and copyright royalties .....
(e) Other nonbusiness income .....
(f) Total income directly allocable (add lines (a) through (e)) 12

13 Modified federal taxable income subject to apportionment by formula, line 1 less line 12 13

14 Income apportioned to Colorado by formula, line 11 times line 13 14

15 **Add income directly allocable to Colorado:**

(a) Net rents and royalties from real or tangible real property .....
(b) Capital gains and losses .....
(c) Interest and dividends .....
(d) Patents and copyright royalties .....
(e) Other nonbusiness income .....
(f) Total income directly allocable (add lines (a) through (e)) 15

16 Total income apportioned to Colorado, line 14 plus line 15. Enter on line 9, part 1, page 1, Form 106 16

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FORM 106CR **2009**

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 ... 12	
13. Number of employees on line 11 located in a rural enterprise zone multiplied by $2,000 ... 13	
14. Number of agricultural processing employees on line 11 multiplied by $500 ... 14	
15. Number of employees on line 14 located in a rural enterprise zone multiplied by $500 ... 15	
16. Number of health insured qualified employees times $200 ... 16	
CONTRIBUTION TO ENTERPRISE ZONE ADMINISTRATOR	
17. Current year cash contributions ... 17	
18. Value of current year in-kind contributions ... 18	
ENTERPRISE ZONE RESEARCH AND DEVELOPMENT CREDIT	
19. Qualifying current year expenditures _____	
20. First preceding year expenditures _____	
21. Second preceding year expenditures _____	
22. Total lines 20 and 21 _____	
23. One-half of the amount on line 22 _____	
24. Line 19 minus line 23 _____	
25. 3% of the amount on line 24 ... 25	
OTHER CREDITS	
26. Historic property preservation credit ... 26	
27. Alternative fuel vehicle credit ... 27	
28. Alternative fuel refueling facility credit ... 28	
29. Child care contribution credit ... 29	
30. Child care center family care home investment credit ... 30	
31. Employer child care investment credit ... 31	
32. School to career investment credit ... 32	
33. Enterprise zone job training credit ... 33	
34. Enterprise zone vacant commercial building rehabilitation credit ... 34	
35. Colorado works program credit ... 35	
36. Gross conservation easement credit ... 36	
37. Contaminated land redevelopment credit ... 37	
38. Low-income housing credit ... 38	
39. Aircraft manufacturer new employee credit ... 39	
40. Job growth incentive credit ... 40	

COLORADO DEPARTMENT OF REVENUE
DENVER CO 80261-0006

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OF REVENUE

INSTRUCTIONS FOR FORM 106CR

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 or her own limitations.

Some credits may be claimed only by individuals, estates or trusts where others may be claimed only by C Corporations. Other credits may be available to all taxpayers. Credits cannot be claimed by some partners or shareholders cannot 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 106CR for each state to which tax was paid. Advise each Colorado resident shareholder of his or her share of the corporate income from sources in the other state and his or her 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.) See FYI Income 11.

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. See FYI Income 11.

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. Additional credits may be available depending on the location of the business, the nature of the work performed and the benefits provided to the employee(s). These credits are available to all taxpayers.

A credit for **contributions to enterprise zone administrators** to further the economic development plans of the zone is allowed to all taxpayers.

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.

All Other Credits entered on lines 26 through 40 are available to all taxpayers. See the following FYIs, available online at *www.TaxColorado.com* for additional information regarding these credits.

Historic property preservation credit ..... FYI Income 1

Alernative fuel vehicle credit ..... FYI Income 9

Alternative fuel refueling facility credit ..... FYI Income 9

Child care contribution credit ..... FYI Income 35

Child care center family care home investment credit ..... FYI Income 7

Employer child care investment credit ..... FYI Income 7

School to career investment credit ..... FYI Income 32

Enterprise zone job training credit ..... FYI Income 31

Enterprise zone vacant commercial building rehabilitation credit ..... FYI Income 24

Colorado works program credit..... FYI Income 34

Gross conservation easement credit ..... FYI Income 39

Contaminated land redevelopment credit ..... FYI Income 42

Low-income housing credit ..... FYI Income 46

Aircraft manufacturer new employee credit ..... FYI Income 62

Job growth incentive credit...Contact the Colorado Economic Development Commision. A credit certificate issued by the Commission must be attached to any return claiming this credit.