



DO NOT SEND

DR 0205 (09/17/18)
COLORADO DEPARTMENT OF REVENUE
Denver, CO 80261-0006
Colorado.gov/Tax

Tax Year Ending Computation of Penalty Due Based on Underpayment of Colorado Corporate Estimated Tax See form on pages 2 and 3

Instructions

Part 1: Generally you are subject to an estimated tax penalty if your current year estimated tax payments are not paid in a timely manner. The estimated tax penalty will not be assessed if the Colorado tax liability is less than \$5,000.

Part 2: The required annual amount to be paid is the lesser of:

1. 70% of actual net Colorado tax liability, *or*
2. 100% of preceding year's Colorado tax liability only applies if:
 - The preceding year was 12-month tax year, *and*
 - The corporation filed a Colorado return, *and*
 - The corporation is not defined under section 6655 of the federal IRS code as a large corporation.*

*Large corporations can base their first quarter estimated tax payment on 25% of the previous year's tax liability. However, future payments must be based on the actual tax liability for the current tax year and any underpayment occurring in the first quarter as a result of this estimation must be paid with the second quarterly payment.

Part 3: Compute the penalty on lines 10 through 22 of DR 0205. Complete each column before going to the next column. The dates to be entered on line 10 are the 15th day of the fourth, sixth, ninth and twelfth month of the taxable year. Large corporations must complete line 11 based on the computations from line 9 or, if calculating estimated payments using the annualized installment method, line 29.

Corporations filing for a short tax year must adjust lines 9, 10 and 11 accordingly. For more information about filing for short tax years, see FYI Income 51 at Colorado.gov/Tax

Part 4: Taxpayers who do not receive income evenly during the year may elect to use the annualized income installment method to compute their estimated tax payments if they elected annualized installments or adjusted seasonal installments for the payment of their federal income tax. Complete the annualized installment method schedule to compute the amounts to enter on line 11.

See FYI Income 51, available at Colorado.gov/Tax, for additional information regarding the estimated tax penalty.



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2018 Tax Year Ending Computation of Penalty Due Based on Underpayment of Colorado Corporate Estimated Tax

Corporation Name		Colorado Account Number	
Part 1 — Exception			
1. Enter the current year tax liability including any credit recapture after reduction for all credits other than estimated tax, withholding tax payments and credits.		\$	
2. Statutory exemption		\$	5,000.00
3. Subtract line 2 from line 1. If line 2 is larger, enter zero and no penalty is due.		\$	
Part 2 — Required Annual Payment			
4. Enter the current year tax liability (including any credit recapture) after reduction for all credits other than estimated tax, withholding tax payments and credits.		\$	
5. Enter 70% of the amount on line 4.		\$	
6. Enter the previous year Colorado tax liability (including any credit recapture) after reduction for all credits other than estimated tax, withholding tax payments and credits. If you did not file a previous year Colorado return, enter the amount from line 5 here and on line 7.		\$	
7. Required payment. Enter the smaller of lines 5 or 6.		\$	
8. Does the taxpayer qualify as a large corporation under section 6655 of the federal IRS code? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, go to line 9. If no, skip to line 10.			
9. (a) Enter 25% of line 5.		\$	
(b) Enter 25% of line 6.		\$	
(c) Subtract line 9(b) from line 9(a). If line 9(b) is larger, enter 0 on this line. 1. Enter the smaller of lines 9(a) or 9(b) on line 11 in column 1. 2. Enter the total of lines 9(a) and 9(c) on line 11 in column 2. 3. Enter the amount from line 9(a) on line 11 in columns 3 and 4.		\$	