



DO NOT SEND

DR 0106EP (06/07/21)
COLORADO DEPARTMENT OF REVENUE
Denver CO 80261-0008
Tax.Colorado.gov

Composite Nonresident Return Estimated Income Tax Instructions

Estimated tax is the method used to pay tax on income that is not subject to withholding. Individuals who are not residents of Colorado (nonresidents) must pay tax on any Colorado-source income. This is intended for nonresident individuals who are included in a form 106 composite filing. See publication FYI Income 54 for more information, available at *Tax.Colorado.gov*

General Rule

In most cases, you will pay estimated tax if an individual partner expects to owe more than \$1,000 in net tax for 2022, after subtracting any withholding or refundable credits they might have. This rule must be calculated for each individual included in the composite return, and not as the composite as a whole.

Required Payments

The required annual amount to be paid by each individual included in the composite (if not exempted by the general rule) is the smaller of:

- 70% of the actual net Colorado tax liability*, or
- 100% of the preceding year's net Colorado tax liability. This rule only applies if the preceding year was a 12-month tax year, the individual filed a Colorado return, and the federal adjusted gross income on that return was \$150,000 or less (or, if married filing separately, \$75,000 or less), or
- 110% of the preceding year's net Colorado tax liability. This amount only applies if the preceding year was a 12-month year, and the individual filed a Colorado return.

*The net Colorado tax liability is defined as the sum of Colorado tax, alternative minimum tax, and the recapture of prior year credits, minus the sum of all credits other than wage withholding and nonresident real estate withholding, but not nonresident partner or shareholder withholding and/or estimated tax credits.

Calculating the Payment

Estimated tax payments can be made on a quarterly basis. Payments and forms should be submitted using the same account number as will be used on the Colorado Partnership and S Corporation and Composite Nonresident Income Tax Return (DR 0106). If, for any reason, the account numbers are inconsistent, the Department must be notified in writing prior to filing the DR 0106.

Mail this notification to:

**Colorado Department of Revenue
Denver, CO 80261-0008**

It is strongly recommended that these payments be remitted electronically to avoid problems and delays. The single form can be copied and used for each of the four quarterly payments if an electronic payment cannot be made for any reason.

Penalties

Failure to timely remit estimated tax as necessary will result in an estimated tax penalty. Otherwise, penalty will be calculated for each missed, late, or underpaid payment. For calculation specifics, or to remit this penalty before being billed, see form DR 0204, Underpayment of Individual Estimated Tax.

Refunds

Estimated tax payments can only be claimed as prepayment credit on the 2022 Colorado income tax return. Therefore, estimated payments cannot be refunded in any manner until such time that the Colorado income tax return is filed.

Go Green with Revenue Online

Colorado.gov/RevenueOnline allows taxpayers to file taxes, remit payments and monitor their tax accounts. DR 0106EP is not required to be sent if electronic payment is remitted through this site. Please be advised that a nominal processing fee may apply to electronic payments.

Pay by Electronic Funds Transfer (EFT)

EFT payments can be made safely, for free, and can be scheduled up to 12 months ahead of time to avoid forgetting to make a quarterly payment. This requires pre-registration before payments can be made. Visit *Tax.Colorado.gov/electronic-funds-transfer* for registration information.

Additional information, guidance Publications and forms are available at *Tax.Colorado.gov*, or you can call 303-238-SERV (7378) for assistance.



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2022 Colorado Composite Nonresident Estimated Tax Payment Form

Only return this payment form with a check or money order.
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DR 0106EP (06/07/21)			
For the calendar year 2022 or the fiscal year:			
Beginning (MM/DD/YY)		Ending (MM/DD/YY)	
Return the DR 0106EP with check or money order payable to the "Colorado Department of Revenue". Mail payments to Colorado Department of Revenue, Denver, Colorado 80261-0008. These addresses and zip codes are exclusive to the Colorado Department of Revenue, so a street address is not required. Write your Colorado Account Number or FEIN and "2022 DR 0106EP" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this form. File only if you are making a payment of estimated tax.			
FEIN			
Colorado Account Number			
Organization Name			
Address			
City			
State		ZIP	Due Date (MM/DD/YY)
			Amount of Payment
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.			\$

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IF NO PAYMENT IS DUE, DO NOT FILE THIS FORM