



DO NOT SEND

Tax Year Ending Computation of Penalty Due Based on Underpayment of Colorado Individual Estimated Tax Instructions for DR 0204

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 either of the exceptions are met.

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

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

Part 3: If no exception applies to you, compute your penalty on lines 7 through 19 of DR 0204. Complete each column before going on to the next column. See FYI Income 51

regarding estimated tax payment allocation on line 8. The amount entered on line 10 is the net overpayment from the preceding period. On line 17, if the payment was made prior to January 1 enter "0." If the tax return is filed and any tax due is paid by January 31 no penalty will be computed in column four. Estimated tax payments from a farmer or fisherman are due in a single payment by January 15 and only column four is used to compute the penalty.

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 elect annualized installments for the payment of their federal income tax. Complete the annualized installment method schedule to compute the amounts to enter on line 7. See FYI Income 51 regarding this computation method.

Example: Taxpayer's net tax liability for the current year is \$10,000. He had \$1,000 withholding and none of the exceptions apply. He paid \$4,000 on June 12 and made no additional estimated tax payments.

	April 17	June 15	September 15	January 15
Line 7	\$1,750	\$1,750	\$1,750	\$1,750
Line 8	\$0	\$4,000	\$0	\$0
Line 9	\$250	\$250	\$250	\$250
Line 10	—	—	\$1,000**	—
Line 11	\$250	\$4,250	\$1,250	\$250
Line 12	\$1,500	\$(2,500)	\$500	\$1,500
Line 13	12/31/17	6/12/17	12/31/17	—
Line 14	261	—	108	—
Line 15	\$64.36	—	\$8.88	—
Line 16	4/17/18	6/12/18	4/17/18	4/17/18
Line 17	107	0	110	95
Line 18	\$26.38	0	\$9.04	\$23.42
Line 19				\$132.08

** June 12 Payment		\$4,000
April withholding		250
June withholding		250
		\$4,500
April installment	\$1,750	
June installment	<u>1,750</u>	3,500
Overpayment to September		\$1,000



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DR 0204 (06/30/17)
COLORADO DEPARTMENT OF REVENUE
 Denver, CO 80261-0005
 Colorado.gov/Tax

Taxpayer's Last Name	First Name	Middle Initial	Social Security Number

Part 1 — Exceptions**Exception Number 1**

If at least two-thirds of your gross current year income is from farming or fishing and you file your current year return and you pay the full amount of tax due on or before March 1, you are not subject to the estimated tax penalty. If you meet this criteria but do not pay the full amount of tax due on or before March 1, check the box here and complete the remainder of the form.

Exception Number 2

1. Enter your current year tax liability (including alternative minimum tax and any credit recapture) after reduction for all credits other than withholding tax, estimated tax payments and credits.

\$

2. (a) Statutory exemption

\$ 1,000.00

(b) Current year Colorado income tax withheld from wages and/or nonresident real estate transactions

\$

(c) Total of lines 2(a) and 2(b)

\$

3. Subtract line 2(c) from line 1. If 2(c) is larger, enter zero and no penalty is due.

\$

Part 2 — Required Annual Payment

4. (a) Enter your current year tax liability (including alternative minimum tax and any credit recapture) after reduction for all credits other than withholding tax, estimated tax payments and credits

\$

(b) Enter 70% of the amount on line 4(a), if you checked the box for exception number 1 above only enter 50% of the amount on line 4(a).

\$

5. (a) Enter your previous year tax liability (including alternative minimum tax and any credit recapture) after reduction for all credits other than withholding tax, estimated tax payments and credits

\$

(b) If your previous year federal adjusted gross income is greater than \$150,000 (greater than \$75,000 if married filing separate), enter 10% of line 5(a). If not, enter 0. If you checked the box for exception number 1 above enter 0.

\$

(c) Enter total of lines 5(a) and 5(b)

\$

6. Required payment. Enter the smaller of lines 4(b) or 5(c)

\$

Part 3 — Penalty Computation**Payment Due Dates**

7. Divide the amount on line 6 by four. Enter the result in the appropriate column. If you checked the box for exception number 1 above, you are only required to calculate the penalty based on the payment due date in the final column (January 15).

April 17**June 15****Sept 15**
 January 15

\$

\$

\$

\$

8. Amounts paid in estimated tax

\$

\$

\$

\$

9. Amount of income tax withheld from wages and/or nonresident real estate transactions

\$

\$

\$

\$

10. Overpayment (on line 12) from previous period

\$

\$

\$

\$

11. Total of lines 8, 9, and 10

\$

\$

\$

\$

12. Underpayment (subtract line 11 from line 7) or <overpayment> (subtract line 7 from line 11)

\$

\$

\$

\$

13. Date of payment or December 31, whichever is earlier

14. Number of days from due date of payment to date on line 13



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Taxpayer's Last Name	First Name	Middle Initial	Social Security Number
15. Underpayment on line 12 multiplied by 7% multiplied by number of days on line 14 divided by 365	\$	\$	\$
16. Date of payment or April 17, whichever is earlier			
17. Number of days from December 31, or due date of payment, whichever is later, to date on line 16			
18. Underpayment on line 12 multiplied by 7% multiplied by number of days on line 17 divided by 365	\$	\$	\$
19. Total penalty. Add all amounts on lines 15 and 18. Include this amount as estimated tax penalty on line 34 of form DR 0104			\$

Part 4 — Annualized Installment Method Schedule

20. Ending date of annualization period	• March 31	• May 31	• August 31	• Dec 31
21. Colorado taxable income computed through the date on line 20	\$	\$	\$	\$
22. Annualization factor	4	2.4	1.5	1
23. Annualized taxable income line 21 multiplied by line 22	\$	\$	\$	\$
24. Annualized Colorado tax line 23 multiplied by 4.63%	\$	\$	\$	\$
25. Applicable percentage	17.5%	35%	52.5%	70%
26. Installment payment due. Line 24 multiplied by line 25, subtract amounts entered on line 26 in earlier quarters. Enter here and on line 7.	• \$	• \$	• \$	• \$