

Estimated Tax Vouchers for Individuals - Instructions **COLORADO 2010**

- 1. Who must pay estimated tax.** Every resident of Colorado and every nonresident with income from Colorado sources must pay estimated income tax if it can reasonably be expected that the net Colorado income tax liability for the current taxable year will exceed the Colorado sales tax refund and withholding credits by \$1,000 or more. See FYI Income 51 for more information.
- 2. Due date for filing.** Estimated tax payments are due in four equal installments on April 15, 2010, June 15, 2010, September 15, 2010 and January 15, 2011. Payments will be credited against the earliest quarterly installment that is due for the tax year regardless of when the payment is received. If the due date is a Saturday, Sunday or legal holiday, payment on the next business day is accepted as having been made on the due date.
- 3. Joint Returns.** Any estimated tax payment submitted by a married couple that will be filing a joint tax return must list the same spouse first on both Form 104EP and Form 104.
- 4. How to compute your estimated tax for 2010.** You should compute your 2010 estimated tax in the worksheet provided in this booklet using the 2009 individual income tax instruction booklet as a guide.
- 5. Annualized income installment method.** Taxpayers who do not receive income evenly during the year (for example, taxpayers who own a seasonal business or receive a lump sum payment late in the year) may elect to use the annualized income installment method to compute their estimated tax payments if they elect this method for their federal payments. This method allows taxpayers to pay estimated tax based on income actually received during the preceding portion of the tax year.
- 6. Application of 2009 overpayment.** An estimated tax credit resulting from an overpayment of tax on your 2009 income tax return must be applied to the first estimated tax payments due.
- 7. Required estimated payments.** The required annual amount to be paid is the lesser of:
 - 70% of the actual net Colorado tax liability
 - 100% of the 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 filing separately).
- 110% of the 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).

The net Colorado tax liability for purposes of estimated tax computation is the total Colorado tax, alternative minimum tax and recapture of prior year credits reported on the Colorado individual income tax return Form 104 less all credits other than the state sales tax refund, withholding credits, and estimated tax credits.
- 8. Penalty for failure to pay estimated tax.** The estimated tax penalty will be assessed if the required estimated payments are not paid in a timely manner. The penalty will be the appropriate Colorado income tax interest rate times the underpayment for each quarter times the underpayment period. This penalty is computed on Form 204.

The estimated tax penalty will not be assessed if one of the following conditions is met:

No penalty is due if the net Colorado tax liability minus any prepayments and credits, other than the estimated tax payments and credits, is less than \$1,000.

No penalty is due if the taxpayer is a farmer or fisherman and files a return with full payment of any tax due by March 1 of the following tax year.
- 9. Refund of estimated tax:** The 2010 estimated tax payments and/or credits may only be claimed as prepayment credits on the 2009 income tax return. Such payments and/or credits are not subject to refund except by the filing of such a return.
- 10. Where to file:** File estimated tax vouchers with the Colorado Department of Revenue, Denver, Colorado 80261-0008. Make checks or money orders payable to the Colorado Department of Revenue.
- 11. Additional Information:** All forms, FYIs, the Tax Information Index and other information are available at: www.TaxColorado.com or you can call for information at (303) 238-SERV (7378).



ONLINE TAX PAYMENTS

Rather than mailing a check, you can now pay using an electronic check 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.

2010 COLORADO INDIVIDUAL ESTIMATED INCOME TAX WORKSHEET

1. Estimated 2010 Colorado taxable income		.00	
2. Estimated 2010 Colorado income tax - 4.63% of line 1		.00	
3. Estimated 2010 Colorado alternative minimum tax		.00	
4. Estimated 2010 recapture of prior year credits		.00	
5. Total of lines 2, 3 and 4		.00	
6. Estimated 2010 Form 104CR credits		.00	
7. Line 5 minus line 6		.00	
8. Estimated 2010 Colorado withholding tax		.00	
9. Net estimated tax, line 7 minus line 8		.00	
Due Date	Amount Due	2009 Overpayment Applied	Payment Due
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

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.

DETACH FORM
ON THIS LINE

▼ RETURN ONLY THE LOWER PORTION OF THIS PAGE WITH YOUR PAYMENT ▼

9B0701 2.000

(0012) (09/22/09) **FORM 104EP**
 COLORADO DEPARTMENT OF REVENUE
 www.TaxColorado.com

2010 Colorado Estimated Income Tax Payment Voucher 1062
70 PAYMENT 1

Return this voucher with check or money order payable to the Colorado Department of Revenue, Denver, Colorado 80261-0008. Write your social security number and "2010 Form 104EP" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher. File only if you are making a payment of estimated tax.

Your last name	First name and initial	Your social security number	
Spouse's last name	First name and initial	Spouse's social security number	
Address			
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) \$.00

Estimated Income Tax Payment Voucher

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70 PAYMENT 3

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