

## TIPS from 2C

must first be reduced by any dividend income excluded on your federal return.

If you are married, read your state income tax instructions carefully,

because the method you must use to take interest and dividend exclusions depends upon whether you are filing a joint or a combined return.

**WHERE'S MY REFUND?**

The Colorado Department of Revenue can normally process your return and issue any refund due you in 45 days or less. However, your refund can be delayed by at least two weeks, if

any of the following applies:

- You (or your spouse, if applicable) forgot to sign your return.
- You used the wrong Social Security number.
- You failed to include your W-2 form(s).
- You made some other mistake in preparing your return.
- You owe taxes from a previous year.

Colorado state income tax refund information will not be available by telephone or in person until 10 weeks have passed since you mailed your return to the Department of Revenue. If you have questions about your refund and more than 10 weeks have passed since you mailed your return, call 866-4769 for more information.

## RATE SCHEDULE?

Some taxpayers are confused about whether to use the tax tables or the tax rate schedule to figure their Colorado income tax. Following are guidelines to help you determine whether you should use the tax tables or tax rate schedule:

- If your Colorado adjusted gross income is \$20,000 or more, you must use the tax rate schedule.
- If you itemize deductions, regardless of the amount of your Colorado adjusted gross income, you must use the tax rate schedule.
- If your Colorado adjusted gross income is between \$10,000 and \$20,000 and you do not itemize deductions you may use either the tax table or the tax rate schedule. You must use one or the other; you cannot use both. Your decision should be based on whichever results in the lower tax.
- If you do not itemize deductions and your Colorado adjusted gross income is under \$10,000, you must use the tax

tables. You cannot use the tax rate schedule.

## DECIDING WHETHER TO ITEMIZE DEDUCTIONS

You might save money by itemizing on your Colorado state income tax return if your deductions total \$1,420 or more.

Generally, you need at least \$2,390 in deductions to benefit from itemizing on your federal income tax return. However, you only need \$1,420 in deductions to benefit from itemizing on your Colorado state income tax return in most cases. For this reason, you may want to itemize deductions on your state return even if you don't itemize deductions on your federal return.

One way to decide whether to itemize is to figure your tax from the tax rate schedule on the back of the Colorado 104 long form. Then figure your tax from the appropriate table or schedule without itemizing. In most cases, itemizing will give you a lower tax.

## ATTACH ALL DOCUMENTS TO RETURNS

When you file your federal tax return, be sure to attach all supporting documents and schedules before mailing it, the IRS says.

Documents such as earning statements, schedules, statements verifying deductions, or other pertinent information should be securely attached to the 1040, 1040A or 1040EZ. Taxpayers must include W-2 forms from all employers, regardless of the amount of earnings.

Missing documents can cause processing errors, refund delays, and create confusion and inconvenience for the taxpayer, the IRS explained. In most instances when a required form or schedule is missing from the tax return, the IRS must contact the taxpayer to

request the missing item.

## SEPARATE PAYMENT FOR DIFFERENT TAXES

If you send payments for two different types of tax to the Internal Revenue Service at the same time, the IRS advises that you send separate checks or money orders for each.

The tax agency explains that an error is easily made if payments are combined, especially if different tax forms are involved. For example, a person filing a 1985 Form 1040 with tax due should not include in that payment amounts due for 1986 estimated taxes.

Also, taxpayers are advised to write their social security numbers (employer identification number for business taxes), form number and tax period involved on every check or money order sent to the IRS. If your check becomes separated from your tax form, we can still credit the money to your account, the IRS says.

## TAXPAYERS CAN EXTEND FILING DEADLINES

The Internal Revenue Service says you may receive an automatic 4-month extension of time to file your 1985 federal tax return. The application for the extension, Form 4868, must be filed by April 15.

The IRS stresses that this is an extension of time to file your return—not an extension of time for payment of taxes due. When filing for the extension, the taxpayer must estimate their tax owed for 1985 and send that amount with the Form 4868 to avoid interest and late payment penalties.

The IRS notes that a deduction for an IRA contribution can be claimed on a 1985 tax return only if the contribution is made on or before April 15, even for those electing an extension to file.

## Reservoir EIS makes waves

The Stagecoach Reservoir project is, even now, a "dam over troubled waters."

Although voters approved a one mill levy increase two years ago to help fund a \$16.33 million dam and reservoir on the Upper Yampa River, concerns about the project continue to surface.

A mid-March public hearing on the draft environmental impact statement raised the same issues, both pro and con, that have been heard since the 34,000-acre-foot reservoir was first proposed in 1983.

Those favoring the project pointed to its positive impact on a present "down" economy. Proponents saw it as a plus for recreation, water storage and retention of water for future development, both agricultural and industrial, on the state's Western Slope.

Opponents questioned costs vs. returns, impacts on county roads and services, encouragement of land speculation, effects on downstream flow and absence of water demand by downstream agriculture, industry and municipalities.

The Upper Yampa Water Conservancy District, sponsoring agency for the project, plans to pay for the water storage construction with \$500,000 of its own funds, a \$6 million loan from the Colorado Water Conservation Fund, federal loans and grants and sale of water to downstream

users.

To repay the loans, the district expected to receive an annual water sale payment of \$350,000 from Colorado-Ute, \$35,000 in water sales to municipalities and \$426,000 from the added mill levy.

Last September, Colorado Ute, from which the district is buying land and water rights, revised its agreement for annual purchase of water from the reservoir from 10,000 acre feet to 9,000 acre feet. To offset the loss, the district raised its levy from 1.9 mills to 2 mills.

John Fletcher, secretary for the district, will be appear before the U.S. House Appropriations Committee April 13, seeking loans and grants of \$8,326,000. The money will come from the Small Reclamation Project Act, but only if Congress decides to fund the act for 1986.

The Routt County Planning Commission will make its own recommendations to the Bureau of Reclamation after studying the recently published draft EIS.

Last Thursday its planning staff listed a number of concerns on proposals in the statement. They included:

- Lack of a scenario on impacts if and when the annual 9,000 acre feet purchased by Colorado Ute is taken from the 33,720-acre-foot reservoir.

• Impacts on the proposed irrigated wetlands if Colorado Ute uses its water allotment.

• Impacts of development on CR14 and CR131 and assignment of responsibility for road improvements funding.

• Impacts of secondary development (homes, condominiums, etc.) on the county.

• Impacts of increased recreational use on Service and Morrison creeks.

• Implications of the project on the development of Lake Catamount.

• Lack of controls of possible strip development between Stagecoach and Oak Creek, four miles away.

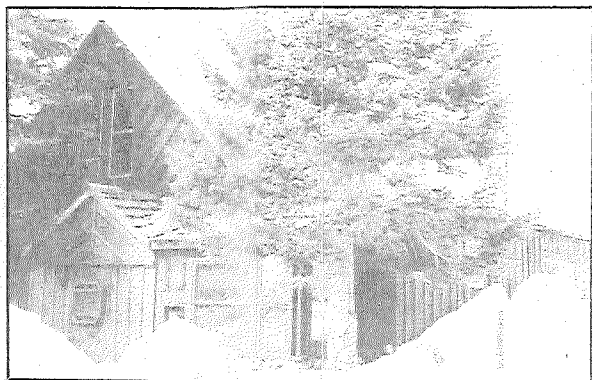
• Lack of adequate mitigation for the loss of 135 acres of wetlands.

• Lack of documentation that the "no action" alternative will be "harder on wildlife."

• Lack of acceptable solutions for Division of Wildlife concerns that include minimum stream flow, big game range improvements, fish stocking and waterfowl habitat.

The commission and the public have until April 14 to submit recommendations and comments. Statements should be sent to Regional Director, Attention: UC-730, Bureau of Reclamation, Box 11568, Salt Lake City, UT 84147.

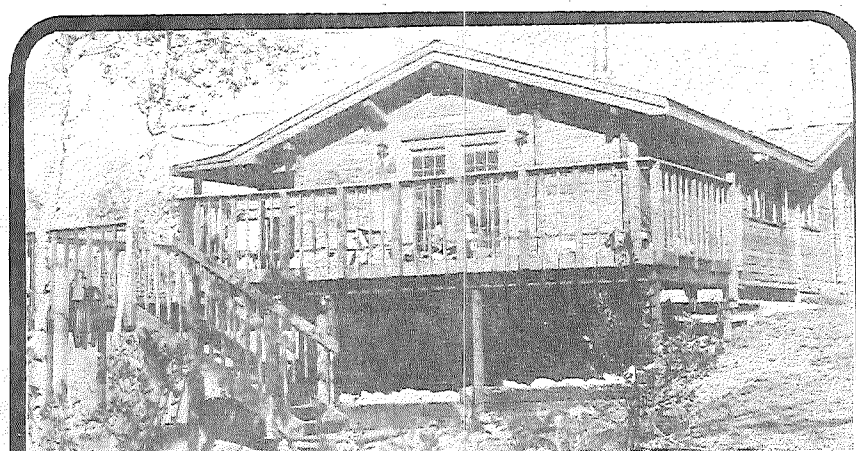
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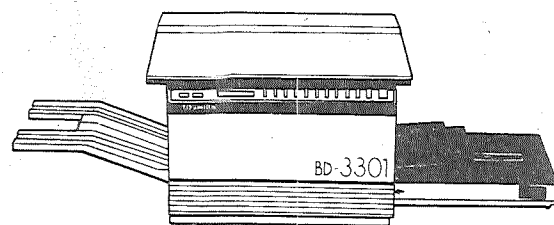
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