

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

MARCH 29, 2006  
Date of Report (Date of earliest event reported)

COLONIAL COMMERCIAL CORP.  
(Exact name of Registrant as Specified in Charter)

NEW YORK (State or other Jurisdiction of Incorporation)	1-6663 (Commission File Number)	11-2037182 (IRS Employer Identification No.)
275 WAGARAW ROAD, HAWTHORNE, NEW JERSEY (Address of Principal Executive Offices)		07506 (Zip Code)
Registrant's Telephone Number, Including Area Code: 973-427-8224		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 29, 2006 Colonial Commercial Corp. (the "Company") issued a press release announcing its fourth quarter and year end 2005 financial results. A copy of this press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated March 29, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COLONIAL COMMERCIAL CORP.

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(Registrant)

Date: March 31, 2006

/s/ Bernard Korn

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Bernard Korn  
Chairman of the Board  
and Chief Executive Officer

/s/ William Salek

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William Salek  
Chief Financial Officer

INDEX TO EXHIBITS

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99.1	Press Release dated March 29, 2006

COLONIAL COMMERCIAL CORP. REPORTS  
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69.4% INCREASE OF QUARTERLY NET INCOME AND  
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27.4% INCREASE OF ANNUAL NET INCOME  
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HAWTHORNE, New Jersey (March 29, 2006) - Colonial Commercial Corp. ("Colonial") (OTC Bulletin Board: "CCOM," "CCOMP"), today announced its financial results for the fourth quarter and year ended December 31, 2005.

For the year:

- Net income increased 27.4% to \$2,115,631 from \$1,661,156 in 2004.
- Sales increased by 8.5% to \$66,690,945 from \$61,454,128 in 2004.
- Operating income increased by 39.7% to \$2,400,424 from \$1,717,812 in 2004.
- Gross margins increased to 30.3% from 29.9% in 2004.
- Shareholders' equity increased by 47.9% to \$6,173,567 from \$4,173,898 in 2004.
- Fully diluted per share income increased to \$0.40 from \$0.36 in 2004.

For the quarter:

- Net income increased 69.4% to \$775,763 from \$457,819 in 2004.
- Sales increased by 11.3% to \$18,464,129 from \$16,594,837 in 2004.
- Operating income increased by 44.3% to \$991,467 from \$687,295 in 2004.
- Gross margins increased to 30.9% from 30.4% in 2004.
- Fully diluted per share income increased to \$0.15 from \$0.09 in the 2004 quarter.

These improved results reflect increased market penetration at two of the Company's subsidiaries, an increase in general industry pricing, above average temperatures during the summer cooling season, and continuing strong product demand. The Company is also benefiting from improved efficiencies at its locations.

In the fourth quarter the Company added new product lines to its hydronic heating business and added additional personnel to its commercial sales staff. Sales of commercial control systems also expanded in the fourth quarter.

Bernard Korn, CEO and Chairman of the Company, said "We are pleased with our growth, and continue with our plans to expand current locations, open new locations, and look for acquisition opportunities. Our goal is to be a leading provider in the Northeast of quality residential and commercial heating, air conditioning and high grade plumbing products and accessories."

Colonial distributes heating, ventilating and air conditioning, ("HVAC"), equipment, parts and accessories, climate control systems, and plumbing supplies to HVAC contractors, primarily in the New York metropolitan area through its Universal Supply Group, Inc. ("Universal"), American/Universal Supply Inc. ("American") and The RAL Supply Group, Inc. ("RAL") subsidiaries. These contractors purchase and install equipment and systems for residential, commercial and industrial users. Universal also provides control system design, custom control panel fabrication, technical field support, in-house training and climate control consultation for engineers and installers. It is a leader in the design of direct digital control systems and systems that control multi-location facilities through the Internet. Universal is headquartered in New Jersey, and, with its affiliates, operates out of seven locations in New Jersey; nine in New York and one in Pennsylvania. For more information on Colonial Commercial Corp.'s operations, products and/or services, please visit [www.colonialcomm.com](http://www.colonialcomm.com).

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Safe Harbor Statement: The foregoing press release contains statements

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concerning Colonial Commercial Corp.'s financial performance, markets and business operations that may be considered "forward-looking" under applicable securities laws. Colonial wishes to caution readers of this press release that actual results might differ materially from those projected in any forward-looking statements. Factors which might cause actual results to differ materially from those projected in the forward-looking statements contained herein include the following: continued acceptance of the Company's products in the marketplace, competitive factors, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. These and certain other factors which might cause actual results to differ materially from those projected are detailed from time to time in Colonial's periodic reports and registration statements filed with the Securities and Exchange Commission, which important factors are incorporated herein by reference. Colonial undertakes no obligation to update forward looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes in future operating results, financial condition or business over time.

FOR FURTHER INFORMATION, PLEASE CONTACT:  
WILLIAM PAGANO, PRESIDENT, OR  
WILLIAM SALEK, CHIEF FINANCIAL OFFICER, AT (973) 427-8224  
(Financial Highlights Follow)

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations

	(Unaudited)		12 Months Ended	
	3 Months Ended		December 31,	
	December 31,		December 31,	
	2005	2004	2005	2004
Sales	\$18,464,129	\$16,594,837	\$66,690,945	\$61,454,128
Cost of sales	12,758,598	11,549,889	46,507,769	43,069,981
Gross profit	5,705,531	5,044,948	20,183,176	18,384,147
Selling, general and administrative expenses, net	4,714,064	4,357,653	17,782,752	16,666,335
Operating income	991,467	687,295	2,400,424	1,717,812
Other income	61,013	80,624	272,597	320,359
Interest expense, net;	(282,364)	(253,988)	(1,044,454)	(875,683)
Income before income taxes	770,116	513,931	1,628,567	1,162,488
Income tax (benefit) expense	(5,647)	56,112	(487,064)	(498,668)
Net income	\$ 775,763	\$ 457,819	\$ 2,115,631	\$ 1,661,156
Income per common share:				
Basic	\$ 0.17	\$ 0.11	\$ 0.49	\$ 0.49
Diluted	\$ 0.15	\$ 0.09	\$ 0.40	\$ 0.36
Weighted average shares outstanding:				
Basic	4,528,024	4,122,860	4,295,697	3,403,152
Diluted	5,297,920	5,283,950	5,293,114	4,587,966

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