

SB133_L.008

HOUSE COMMITTEE OF REFERENCE REPORT

 Chairman of Committee

 Date
Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

SB10-133 be amended as follows:

1 Amend reengrossed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. Part 5 of article 22 of title 39, Colorado Revised
4 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
5 read:

6 **39-22-534. Incentive tax credit for rehiring laid-off employees**
7 **- rules - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (a) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE
10 DEPARTMENT CERTIFYING THAT THE TAXPAYER QUALIFIES FOR THE
11 INCENTIVE TAX CREDIT FOR REHIRING LAID-OFF EMPLOYEES ALLOWED IN
12 THIS SECTION.

13 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND
14 EMPLOYMENT CREATED IN SECTION 24-1-121, C.R.S.

15 (c) "PERSON" SHALL HAVE THE SAME MEANING AS SET FORTH IN
16 SECTION 39-21-101 (3).

17 (d) "TAXPAYER" MEANS ANY PERSON DOING BUSINESS IN THE
18 STATE.

19 (2) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,



1 2011, ONLY, AT THE DISCRETION OF THE DEPARTMENT AS SPECIFIED IN
2 SUBSECTION (3) OF THIS SECTION, THERE MAY BE ALLOWED TO ANY
3 TAXPAYER AN INCENTIVE TAX CREDIT WITH RESPECT TO THE INCOME
4 TAXES IMPOSED BY THIS ARTICLE.

5 (3) (a) THE DEPARTMENT MAY APPROVE AN APPLICATION FOR AN
6 INCENTIVE TAX CREDIT FOR REHIRING LAID-OFF EMPLOYEES ALLOWED
7 PURSUANT TO SUBSECTION (2) OF THIS SECTION IF THE TAXPAYER MEETS
8 THE FOLLOWING QUALIFICATIONS:

9 (I) THE EMPLOYEE HIRED WAS RECEIVING ANY CLASSIFICATION OF
10 BENEFITS UNDER THE "COLORADO EMPLOYMENT SECURITY ACT",
11 ARTICLES 70 TO 82 OF TITLE 8, C.R.S., AS OF THE DATE HE OR SHE WAS
12 HIRED AND HAS CONTINUOUSLY RECEIVED SUCH BENEFITS SINCE MARCH
13 31, 2010;

14 (II) WHEN THE APPLICATION IS SUBMITTED, THE EMPLOYEE HAS
15 BEEN EMPLOYED BY THE TAXPAYER FOR A MINIMUM OF ONE HUNDRED
16 TWENTY DAYS; AND

17 (III) THE EMPLOYEE WAS HIRED BY THE TAXPAYER BETWEEN THE
18 EFFECTIVE DATE OF THIS SECTION AND AUGUST 31, 2011.

19 (b) THE DEPARTMENT SHALL REVIEW ALL APPLICATIONS IT
20 RECEIVES FROM TAXPAYERS SEEKING TO RECEIVE AN INCENTIVE TAX
21 CREDIT FOR REHIRING LAID-OFF EMPLOYEES ALLOWED PURSUANT TO
22 SUBSECTION (2) OF THIS SECTION. A TAXPAYER SHALL FILE ONE
23 APPLICATION FOR EACH EMPLOYEE REHIRED. A TAXPAYER SHALL RECEIVE
24 NO MORE THAN FIVE CREDIT CERTIFICATES FOR AN INCENTIVE TAX CREDIT
25 FOR REHIRING LAID-OFF EMPLOYEES. THE APPLICATION SHALL BE SIGNED
26 UNDER PENALTY OF PERJURY AND SHALL IDENTIFY:

27 (I) THE DATE OF THE APPLICATION;

28 (II) THE NAME OF THE EMPLOYEE THAT THE TAXPAYER HAS HIRED
29 AND ANY IDENTIFIER THE DEPARTMENT REQUIRES TO CONFIRM THE
30 EMPLOYEE WAS RECEIVING ANY CLASSIFICATION OF BENEFITS UNDER THE
31 "COLORADO EMPLOYMENT SECURITY ACT", ARTICLES 70 TO 82 OF TITLE
32 8, C.R.S., ON OR BEFORE MARCH 31, 2009;

33 (III) THE DATE THE EMPLOYEE WAS HIRED BY THE TAXPAYER; AND



1 (IV) WHETHER THE EMPLOYEE IS STILL EMPLOYED BY THE
2 TAXPAYER, AND, IF NOT, WHETHER THE EMPLOYEE WAS RETAINED BY THE
3 TAXPAYER FOR NO LESS THAN ONE HUNDRED TWENTY DAYS.

4 (c) UPON APPROVAL OF A TAXPAYER'S APPLICATION FOR AN
5 INCENTIVE TAX CREDIT FOR REHIRING LAID-OFF EMPLOYEES, THE
6 DEPARTMENT SHALL ISSUE TO THE TAXPAYER A CREDIT CERTIFICATE. IF
7 THE DEPARTMENT ISSUES A CREDIT CERTIFICATE, THE DEPARTMENT SHALL
8 PROVIDE AN ELECTRONIC COPY OF THE CREDIT CERTIFICATE TO THE
9 DEPARTMENT OF REVENUE. IN NO EVENT SHALL THE DEPARTMENT ISSUE
10 A CREDIT CERTIFICATE WHEN THE DEPARTMENT HAS GIVEN PUBLIC NOTICE
11 THAT THE AGGREGATE AMOUNT OF ALL CREDITS CLAIMED UNDER THIS
12 SECTION BY ALL TAXPAYERS HAS REACHED THE MAXIMUM AMOUNT
13 SPECIFIED IN SUBSECTION (8) OF THIS SECTION.

14 (4) THE CREDIT ALLOWED IN THIS SECTION SHALL EQUAL ONE
15 THOUSAND DOLLARS PER EMPLOYEE REHIRED PURSUANT TO THE
16 REQUIREMENTS OF THIS SECTION, UP TO A MAXIMUM OF FIVE CREDITS, OR
17 FIVE THOUSAND DOLLARS, PER TAXPAYER.

18 (5) IF THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION
19 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
20 TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS
21 BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET
22 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE
23 CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT YEARS'
24 INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED FIVE YEARS AND
25 SHALL BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
26 ANY CREDIT REMAINING AFTER SAID PERIOD SHALL NOT BE REFUNDED OR
27 CREDITED TO THE TAXPAYER.

28 (6) IF A TAXPAYER RECEIVING A CREDIT ALLOWED IN THIS SECTION
29 IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S CORPORATION, OR
30 SIMILAR PASS-THROUGH ENTITY, THE TAXPAYER MAY ALLOCATE THE
31 CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER
32 CONSTITUENT TAXPAYERS IN ANY MANNER AGREED TO BY SUCH
33 PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT
34 TAXPAYERS. THE TAXPAYER SHALL CERTIFY TO THE DEPARTMENT THE
35 AMOUNT OF THE CREDIT ALLOCATED TO EACH PARTNER, SHAREHOLDER,
36 MEMBER, OR OTHER CONSTITUENT TAXPAYER, AND THE DEPARTMENT
37 SHALL ISSUE CREDIT CERTIFICATES IN THE APPROPRIATE AMOUNTS TO



1 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT
2 TAXPAYER. EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER
3 CONSTITUENT TAXPAYER SHALL BE ALLOWED TO CLAIM SUCH AMOUNT
4 SUBJECT TO ANY RESTRICTIONS SET FORTH IN THIS SECTION.

5 (7) NO LATER THAN OCTOBER 1, 2011, IN ADDITION TO THE
6 ELECTRONIC COPY OF ANY CREDIT CERTIFICATES PROVIDED PURSUANT TO
7 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT
8 SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH AN ELECTRONIC
9 REPORT FOR EACH TAXPAYER RECEIVING A CREDIT ALLOWED IN THIS
10 SECTION FOR THE PRECEDING CALENDAR YEAR, OR ANY FISCAL YEAR
11 ENDING IN THE PRECEDING CALENDAR YEAR, THAT INCLUDES THE
12 FOLLOWING INFORMATION:

13 (a) THE TAXPAYER'S NAME;

14 (b) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL
15 EMPLOYER IDENTIFICATION NUMBER;

16 (c) THE TOTAL CREDITS ALLOWED FOR EACH TAXPAYER PURSUANT
17 TO THIS SECTION; AND

18 (d) ANY ASSOCIATED TAXPAYERS' NAMES, COLORADO ACCOUNT
19 NUMBERS, AND FEDERAL EMPLOYER IDENTIFICATION NUMBERS OR SOCIAL
20 SECURITY NUMBERS, IF THE CREDIT ALLOWED IN THIS SECTION IS
21 ALLOCATED FROM A PASS-THROUGH ENTITY PURSUANT TO SUBSECTION (6)
22 OF THIS SECTION.

23 (8) WHEN THE DEPARTMENT HAS DETERMINED THAT THE
24 AGGREGATE AMOUNT OF ALL CREDITS CLAIMED BY TAXPAYERS UNDER
25 THIS SECTION HAS REACHED FIVE MILLION THREE HUNDRED THOUSAND
26 DOLLARS FROM THE EFFECTIVE DATE OF THIS SECTION THROUGH
27 DECEMBER 31, 2011, MINUS ANY ADMINISTRATIVE EXPENSES INCURRED
28 BY THE DEPARTMENT IN REVIEWING APPLICATIONS AND ISSUING CREDIT
29 CERTIFICATES, THE DEPARTMENT SHALL GIVE NOTICE TO THE PUBLIC THAT
30 FURTHER CREDITS SHALL NOT BE ALLOWED. IN CALCULATING THE
31 AGGREGATE AMOUNT, THE DEPARTMENT SHALL USE THE FULL AMOUNT
32 STATED ON EACH CREDIT CERTIFICATE, NOTWITHSTANDING ANY CREDIT
33 CARRIED FORWARD BY A TAXPAYER IN SUBSEQUENT YEARS PURSUANT TO
34 SUBSECTION (5) OF THIS SECTION.



1 (9) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND
2 EMPLOYMENT AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
3 REVENUE MAY PROMULGATE RULES AS MAY BE NECESSARY TO
4 ADMINISTER AND ENFORCE THIS SECTION. THE RULES SHALL BE
5 PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

6 (10) ANY TAXPAYER WHO OFFSETS A TAX DEFICIENCY WITH A
7 CREDIT ALLOWED IN THIS SECTION THAT IS DISALLOWED PURSUANT TO
8 THIS SECTION SHALL BE LIABLE FOR SUCH TAX DEFICIENCY, INTEREST, AND
9 PENALTIES AS MAY BE SPECIFIED IN THIS ARTICLE OR OTHERWISE
10 PROVIDED BY LAW.

11 (11) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2025.

12 **SECTION 2. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety."

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