

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 19, 2010
Date

Committee on Appropriations.

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

SB10-162 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 3, line 3, after "39-30-103" insert "(4) (b) (I)
2 and".

3 Page 4, after line 1 insert:

4 "(4) (b) For any area designated as an enterprise zone or as a
5 portion of an enterprise zone prior to July 1, 1999, the Colorado economic
6 development commission shall work with the zone administrator to
7 ensure that the area has specific economic development objectives with
8 outcomes that can be measured with specific, verifiable data. The
9 director of the Colorado office of economic development shall require the
10 zone administrators for each zone to submit annual documentation of
11 efforts to improve conditions in areas designated as enterprise zones and
12 the results of those efforts. Such annual documentation shall include
13 specific, verifiable data that can be used to measure whether the zone has
14 achieved the specific economic development objectives for the zone that
15 have measurable outcomes. In order for the commission to determine if
16 the enterprise zones or portions thereof are achieving the specific
17 economic development objectives submitted pursuant to this paragraph
18 (b) or to paragraph (d) of subsection (3) of this section, such annual
19 documentation shall include, but need not be limited to, the most recent
20 statistics available for companies claiming enterprise zone tax credits on:

21 (I) The number of jobs created in the enterprise zone and the

1 ~~standard industrial classification code (SIC)~~ NORTH AMERICAN INDUSTRY
2 CLASSIFICATION SYSTEM (NAICS) CODE of each company reporting the
3 creation of jobs within the zone;"

4 Page 5, line 4, after "(7)." insert "A TAXPAYER SHALL NOT BE REQUIRED
5 TO SUBMIT A PRE-CERTIFICATION FORM FOR ACTIVITIES COMPLETED BY
6 THE TAXPAYER PRIOR TO JANUARY 1, 2012; HOWEVER, A TAXPAYER IS
7 REQUIRED TO OBTAIN AUTHORIZATION FROM THE ENTERPRISE ZONE
8 ADMINISTRATOR PRIOR TO JANUARY 1, 2013, FOR ACTIVITIES THAT
9 OCCURRED PRIOR TO JANUARY 1, 2012."

10 Page 5, line 12, strike "INSTRUMENTAL" and substitute "A CONTRIBUTING
11 FACTOR".

12 Page 5, strike lines 21 through 23 and substitute:

13 "(b) THE DEPARTMENT OF REVENUE SHALL AMEND THE".

14 Page 7, line 1, strike "COLLABORATE, IF THERE IS NO FISCAL" and
15 substitute "COLLABORATE".

16 Page 7, line 2, strike "IMPACT,".

17 Page 7, line 5, strike "SUBMIT PRE-CERTIFICATION".

18 Page 7, strike line 6 and substitute "OBTAIN ANY NECESSARY
19 AUTHORIZATION OR CERTIFICATION, INCLUDING PRE-CERTIFICATION
20 REQUIREMENTS, FROM THE ENTERPRISE ZONE ADMINISTRATOR".

21 Page 7, line 9, after "2013." add "IF THE COLORADO OFFICE OF ECONOMIC
22 DEVELOPMENT IS UNABLE TO IMPLEMENT AN ELECTRONIC SUBMISSION
23 SYSTEM BY JANUARY 1, 2013, THE OFFICE SHALL SUBMIT A REPORT TO THE
24 COLORADO ECONOMIC DEVELOPMENT COMMISSION AND THE GENERAL
25 ASSEMBLY THAT EXPLAINS THE REASONS THAT THE IMPLEMENTATION OF
26 SUCH SYSTEM HAS NOT BEEN ACCOMPLISHED."

27 Page 7, line 13, strike "PRE-CERTIFICATION FORMS,".

28 Page 7, line 14, strike "OR REQUIRED REPORTING INFORMATION." and
29 substitute "INCLUDING PRE-CERTIFICATION REQUIREMENTS.".

1 Page 7, strike lines 15 and 16 and substitute:

2 **"39-30-111. Department of revenue - enterprise zone data -**
3 **electronic filing - submission of carry forward schedule.** (1) FOR THE
4 2012 INCOME TAX YEAR AND EACH INCOME TAX YEAR THEREAFTER, ANY
5 TAXPAYER THAT CLAIMS ONE OR MORE INCOME TAX CREDITS PURSUANT
6 TO THIS ARTICLE SHALL FILE A STATE INCOME TAX RETURN WITH THE
7 DEPARTMENT OF REVENUE IN AN ELECTRONIC FORMAT, UNLESS FILING IN
8 AN ELECTRONIC FORMAT WOULD CAUSE UNDUE HARDSHIP TO THE
9 TAXPAYER BECAUSE THE TAXPAYER DOES NOT HAVE ACCESS TO A
10 COMPUTER, OR DOES NOT HAVE SUFFICIENT INTERNET ACCESS, INTERNET
11 CAPABILITY, OR COMPUTER KNOWLEDGE TO FILE INCOME TAXES
12 ELECTRONICALLY.

13 (2) FOR THE 2012 INCOME TAX YEAR AND EACH INCOME TAX YEAR
14 THEREAFTER, ANY TAXPAYER THAT CLAIMS ONE OR MORE INCOME TAX
15 CREDITS PURSUANT TO THIS ARTICLE SHALL SUBMIT TO THE DEPARTMENT
16 OF REVENUE ALONG WITH THE TAXPAYER'S STATE INCOME TAX RETURN,
17 A FULL CARRY FORWARD SCHEDULE FOR EACH INCOME TAX CREDIT
18 CLAIMED PURSUANT TO THIS ARTICLE.

19 (3) FOR THE 2012 INCOME TAX YEAR AND EACH INCOME TAX
20 YEAR".

21 Page 7, line 26, strike "(2)" and substitute "(4)".

22 Page 7, line 27, strike "SUBSECTION (1)" and substitute "SUBSECTIONS (2)
23 AND (3)".

24 Page 8, afer line 2 insert:

25 **"39-30-112. Data provided to department of revenue.** (1) ON
26 OR BEFORE SEPTEMBER 30 OF EACH CALENDAR YEAR, THE DIRECTOR OF
27 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT OR THE DIRECTOR'S
28 DESIGNEE SHALL TRANSMIT TO THE DEPARTMENT OF REVENUE THE DATA
29 REGARDING INCOME TAX CREDITS ALLOWED PURSUANT TO THIS ARTICLE
30 THAT ARE CERTIFIED BY ENTERPRISE ZONE ADMINISTRATORS FROM
31 JANUARY 1 THROUGH JUNE 30 OF THE SAME CALENDAR YEAR.

32 (2) ON OR BEFORE MARCH 31 OF EACH CALENDAR YEAR, THE
33 DIRECTOR OF THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT OR THE

1 DIRECTOR'S DESIGNEE SHALL TRANSMIT TO THE DEPARTMENT OF REVENUE
2 THE DATA REGARDING INCOME TAX CREDITS ALLOWED PURSUANT TO THIS
3 ARTICLE THAT ARE CERTIFIED BY ENTERPRISE ZONE ADMINISTRATORS
4 FROM JULY 1 THROUGH DECEMBER 31 OF THE PREVIOUS CALENDAR YEAR.

5 **SECTION 4.** 39-21-113, Colorado Revised Statutes, is amended
6 BY THE ADDITION OF A NEW SUBSECTION to read:

7 **39-21-113. Reports and returns - repeal.**
8 (22) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE
9 EXECUTIVE DIRECTOR SHALL SUPPLY THE COLORADO OFFICE OF ECONOMIC
10 DEVELOPMENT WITH INFORMATION RELATING TO THE ACTUAL AMOUNT OF
11 ANY ENTERPRISE ZONE TAX CREDIT CLAIMED PURSUANT TO ARTICLE 30 OF
12 THIS TITLE AS WELL AS INFORMATION SUBMITTED TO THE DEPARTMENT
13 PURSUANT TO SECTION 39-30-111 (2) AND (3) REGARDING THE CARRY
14 FORWARD OF SUCH INCOME TAX CREDITS. ANY INFORMATION PROVIDED
15 TO THE OFFICE PURSUANT TO THIS SUBSECTION (22) SHALL REMAIN
16 CONFIDENTIAL, AND ALL OFFICE EMPLOYEES SHALL BE SUBJECT TO THE
17 LIMITATIONS SET FORTH IN SUBSECTION (4) OF THIS SECTION AND THE
18 PENALTIES CONTAINED IN SUBSECTION (6) OF THIS SECTION. NOTHING IN
19 THIS SUBSECTION (22) SHALL PREVENT THE OFFICE FROM MAKING
20 AGGREGATED DATA REGARDING ENTERPRISE ZONE TAX CREDITS
21 AVAILABLE.

22 **SECTION 5.** 39-22-622 (4), Colorado Revised Statutes, is
23 amended to read:

24 **39-22-622. Refunds.** (4) The provisions of subsection (2) of this
25 section shall not apply to any return that is being audited or to any return
26 that may take longer than normal to process due to the mathematical or
27 clerical errors contained in said return, to unforeseen delays caused by the
28 failure of processing equipment, ~~or~~ because of a tax credit allowed in
29 section 39-22-531, OR BECAUSE THE TAXPAYER CLAIMED AN ENTERPRISE
30 ZONE TAX CREDIT PURSUANT TO ARTICLE 30 OF THIS TITLE AND THE
31 DEPARTMENT IS AWAITING CONFIRMATION FROM THE COLORADO OFFICE
32 OF ECONOMIC DEVELOPMENT THAT THE TAXPAYER IS ELIGIBLE FOR SUCH
33 CREDIT. Such ~~determination~~ DETERMINATIONS shall be made in good
34 faith by the department of revenue."

35 Renumber succeeding section accordingly.
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