

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

Attachment C

DRAFT

LLS NO. 14-0729.01 Nicole Myers x4326

HOUSE BILL

HOUSE SPONSORSHIP

Singer,

SENATE SPONSORSHIP

(None),

**SHORT TITLE:** "Tax Credit For Prop Destroyed By A Natural Cause"

**DEADLINES:** File by: 1/8/2014

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR A  
102 TAXPAYER THAT OWES PROPERTY TAX ON PROPERTY THAT HAS  
103 BEEN DESTROYED BY A NATURAL CAUSE.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

Beginning in the 2013 income tax year, the bill establishes an income tax credit for a taxpayer that owns real or business personal property that was destroyed by a natural cause as determined by the county assessor of the county in which the property is located. The

amount of the credit is an amount equal to the taxpayer's property tax liability for the destroyed property in the property tax year in which the natural cause occurred. A taxpayer is allowed to claim the credit only for the income tax year during which the property was destroyed.

The bill requires the executive director of the department of revenue (department) to create a certification form to be used by a county assessor to certify to the department, at the request of a taxpayer, that the taxpayer's property was destroyed by a natural cause and that the taxpayer is entitled to an income tax credit. The bill specifies the information that shall be included on the certification form for real or business personal property that was destroyed by a natural cause. The department is required to make the certification form available to taxpayers and county assessors on the department's web site and by any other means deemed necessary by the department.

Before claiming an income tax credit, the bill requires a taxpayer to request that the county assessor in the county in which the destroyed property is located complete and sign a certification form for the destroyed property that is the basis of the income tax credit. The county assessor is required to complete and sign the certification form upon such request and the taxpayer is required to submit the completed and signed certification form to the department with the taxpayer's income tax return.

The amount of the credit allowed that exceeds the taxpayer's income taxes due is refunded to the taxpayer.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-536 as  
3 follows:

4           **39-22-536. Credit against tax - property destroyed by natural**  
5 **cause - rules.** (1) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
6 JANUARY 1, 2013, A TAXPAYER THAT OWNS REAL OR BUSINESS PERSONAL  
7 PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE AS DEFINED IN  
8 SECTION 39-1-102 (8.4), AS DETERMINED BY THE COUNTY ASSESSOR IN  
9 THE COUNTY IN WHICH THE PROPERTY IS LOCATED, SHALL BE ALLOWED A  
10 CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN  
11 AMOUNT EQUAL TO THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE  
12 DESTROYED PROPERTY IN THE PROPERTY TAX YEAR IN WHICH THE

1 NATURAL CAUSE OCCURRED. A TAXPAYER IS ALLOWED TO CLAIM THE  
2 CREDIT ONLY FOR THE INCOME TAX YEAR IN WHICH THE PROPERTY WAS  
3 DESTROYED. <{Do I need to specify improvements on real property?}>

4 (b) IF A TAXPAYER OWNS REAL PROPERTY ON WHICH MULTIPLE  
5 IMPROVEMENTS HAVE BEEN MADE, THE AMOUNT OF THE CREDIT ALLOWED  
6 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) IS THE AMOUNT  
7 ATTRIBUTABLE ONLY TO THE STRUCTURES THAT WERE DESTROYED BY  
8 NATURAL CAUSE AS DETERMINED BY THE COUNTY ASSESSOR IN THE  
9 COUNTY IN WHICH THE PROPERTY IS LOCATED. <{Is property assessed in  
10 this way? Does it have to be all or nothing?}>

11 (2) (a) THE EXECUTIVE DIRECTOR, OR THE EXECUTIVE DIRECTOR'S  
12 DESIGNEE, SHALL CREATE A CERTIFICATION FORM TO BE USED BY A  
13 COUNTY ASSESSOR TO CERTIFY TO THE DEPARTMENT OF REVENUE, AT THE  
14 REQUEST OF A TAXPAYER, THAT THE TAXPAYER'S PROPERTY WAS  
15 DESTROYED BY A NATURAL CAUSE AS DETERMINED BY THE COUNTY  
16 ASSESSOR FOR THE APPLICABLE COUNTY AND THAT THE TAXPAYER IS  
17 ENTITLED TO AN INCOME TAX CREDIT AS SPECIFIED IN THIS SECTION.

18 (b) THE CERTIFICATION FORM SHALL REQUIRE A COUNTY ASSESSOR  
19 TO INDICATE THE COUNTY IN WHICH HE OR SHE SERVES AS THE ASSESSOR  
20 AND TO PROVIDE HIS OR HER NAME AND SIGNATURE. IN ADDITION, THE  
21 DEPARTMENT OF REVENUE SHALL ENSURE THAT THE CERTIFICATION FORM  
22 REQUIRES A COUNTY ASSESSOR TO INCLUDE THE FOLLOWING  
23 INFORMATION:

24 (I) IN THE CASE OF REAL PROPERTY, THE TAXPAYER'S NAME AND  
25 ADDRESS, THE TYPE OF NATURAL CAUSE THAT DESTROYED THE PROPERTY,  
26 THE DATE OR DATES ON WHICH THE NATURAL CAUSE OCCURRED, THE DATE  
27 ON WHICH THE PROPERTY WAS DESTROYED BY THE NATURAL CAUSE, AND

1 THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE PROPERTY THAT WAS  
2 DESTROYED BY A NATURAL CAUSE IN THE PROPERTY TAX YEAR IN WHICH  
3 THE PROPERTY WAS DESTROYED. IF THE TAXPAYER OWNS REAL PROPERTY  
4 ON WHICH MULTIPLE IMPROVEMENTS HAVE BEEN MADE, THE  
5 CERTIFICATION FORM SHALL ALSO INCLUDE THE AMOUNT OF PROPERTY  
6 TAX LIABILITY THAT IS ATTRIBUTABLE TO THE STRUCTURES THAT WERE  
7 DESTROYED BY THE NATURAL CAUSE. <{What other information, if any,  
8 should be included on the form?}>

9 (II) IN THE CASE OF BUSINESS PERSONAL PROPERTY, THE  
10 TAXPAYER'S NAME, THE NAME OF THE ENTITY UNDER WHICH THE  
11 TAXPAYER DOES BUSINESS, IF APPLICABLE, THE ADDRESS WHERE THE  
12 BUSINESS PERSONAL PROPERTY WAS LOCATED AT THE TIME OF  
13 DESTRUCTION, THE TYPE OF NATURAL CAUSE THAT DESTROYED THE  
14 PROPERTY, THE DATE OR DATES ON WHICH THE NATURAL CAUSE  
15 OCCURRED, THE DATE ON WHICH THE PROPERTY WAS DESTROYED BY THE  
16 NATURAL CAUSE, AND THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE  
17 PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE IN THE PROPERTY  
18 TAX YEAR IN WHICH THE PROPERTY WAS DESTROYED. <{Is all of this  
19 necessary? What other information, if any, should be included on the  
20 form?}>

21 (c) THE DEPARTMENT OF REVENUE SHALL MAKE THE  
22 CERTIFICATION FORM AVAILABLE TO TAXPAYERS AND COUNTY ASSESSORS  
23 ON THE DEPARTMENT'S WEB SITE AND BY ANY OTHER MEANS DEEMED  
24 NECESSARY BY THE DEPARTMENT.

25 (3) (a) BEFORE CLAIMING AN INCOME TAX CREDIT PURSUANT TO  
26 SUBSECTION (1) OF THIS SECTION, A TAXPAYER MUST REQUEST THAT THE  
27 COUNTY ASSESSOR IN THE COUNTY IN WHICH THE DESTROYED PROPERTY

1 IS LOCATED COMPLETE AND SIGN A CERTIFICATION FORM FOR THE  
2 DESTROYED PROPERTY THAT IS THE BASIS OF THE INCOME TAX CREDIT.

3 (b) UPON THE REQUEST OF A TAXPAYER THAT OWNS PROPERTY  
4 THAT HAS BEEN DESTROYED BY A NATURAL CAUSE AS DETERMINED BY THE  
5 COUNTY ASSESSOR, THE COUNTY ASSESSOR SHALL COMPLETE AND SIGN A  
6 CERTIFICATION FORM FOR THE APPLICABLE PROPERTY AND PROVIDE THE  
7 FORM TO THE TAXPAYER WITHIN \_\_\_\_ DAYS OF THE REQUEST. <{Do you  
8 want to specify time?}>

9 (c) A TAXPAYER THAT CLAIMS AN INCOME TAX CREDIT PURSUANT  
10 TO SUBSECTION (1) OF THIS SECTION MUST SUBMIT THE COMPLETED AND  
11 SIGNED CERTIFICATION FORM TO THE DEPARTMENT OF REVENUE WITH THE  
12 TAXPAYER'S INCOME TAX RETURN FOR THE APPLICABLE INCOME TAX YEAR.

13 (4) A TAXPAYER THAT HAS FILED AN INCOME TAX RETURN FOR THE  
14 2013 INCOME TAX YEAR BEFORE THE EFFECTIVE DATE OF THIS SECTION  
15 MAY FILE AN AMENDED RETURN TO CLAIM THE INCOME TAX CREDIT  
16 ALLOWED PURSUANT TO SUBSECTION (1) OF THIS SECTION. <{The  
17 department would allow this anyway, wouldn't it? Is it necessary to  
18 specify that the credit is allowed for taxpayers that had property  
19 destroyed in 2013?}>

20 (5) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION  
21 THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE  
22 TAXPAYER.

23 (6) THE EXECUTIVE DIRECTOR MAY PROMULGATE RULES AS  
24 NECESSARY TO ADMINISTER AND ENFORCE THE PROVISIONS OF THIS  
25 SECTION. THE RULES SHALL BE PROMULGATED IN ACCORDANCE WITH  
26 ARTICLE 4 OF TITLE 24, C.R.S.

27 **SECTION 2. Safety clause.** The general assembly hereby finds,

1 determines, and declares that this act is necessary for the immediate  
2 preservation of the public peace, health, and safety.

3 <{Rep. Singer - pursuant to section 39-1-102 (8.4), "Natural cause"  
4 means fire, explosion, flood, tornado, action of the elements, act of war  
5 or terror, or similar cause beyond the control of and not caused by the  
6 party holding title to the property destroyed.}>