

Second Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 08-0714.02 Kristen Forrestal

HOUSE BILL 08-1034

HOUSE SPONSORSHIP

Garza-Hicks and Ferrandino, and McGihon

SENATE SPONSORSHIP

Veiga,

House Committees  
Finance

Senate Committees  
Finance

A BILL FOR AN ACT

101 CONCERNING CLARIFICATIONS TO EMPLOYER TAX CREDITS FOR  
102 TAXPAYERS UTILIZING EMPLOYEE LEASING COMPANIES.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Clarifies that taxpayers or aircraft manufacturers are allowed a tax credit for new employees for whom an employee leasing company, as the employing unit or co-employer for the taxpayer or aircraft manufacturer that is the work-site employer, withholds social security, medicare, and income taxes under the employee leasing company's own federal and state taxpayer identification numbers.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
Am ended 2nd Reading  
February 15, 2008

HOUSE  
3rd Reading Unam ended  
January 23, 2008

HOUSE  
Am ended 2nd Reading  
January 22, 2008

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

2           **SECTION 1.** 39-30-105 (5) (c), Colorado Revised Statutes, is  
3 amended, and the said 39-30-105 (5) is further amended BY THE  
4 ADDITION OF A NEW PARAGRAPH, to read:

5           **39-30-105. Credit for new business facility employees -**  
6 **definitions.** (5) (c) For purposes of this section, a partnership, S  
7 corporation, limited liability company, or other entity electing not to be  
8 taxed as a corporation may pass through the credits earned under this  
9 section in any tax year to its participating partners, shareholders, or  
10 members, hereinafter referred to as the "investors" of the entity, in any  
11 percentage the entity chooses, up to the amount of the credit earned in the  
12 tax year. Credits earned but unclaimed in a tax year for which the entity  
13 elects to be taxed as a corporation may not be distributed to investors in  
14 a later tax year for which the entity elects not to be taxed as a corporation.  
15 In any tax year for which the entity elects not to be taxed as a corporation,  
16 all credits passed through to investors may be carried forward at the  
17 investor level for the carryover periods specified in this section. ~~For~~  
18 ~~purposes of this section, a taxpayer may only claim the new business~~  
19 ~~facility employee credit for employees for whom the taxpayer withholds~~  
20 ~~social security, medicare, and income taxes under the taxpayer's own~~  
21 ~~federal and state taxpayer identification numbers.~~

22           (d) FOR PURPOSES OF THIS SECTION, A TAXPAYER MAY ONLY CLAIM  
23 THE NEW BUSINESS FACILITY EMPLOYEE CREDIT FOR EMPLOYEES FOR  
24 WHOM:

25           (I) THE TAXPAYER WITHHOLDS SOCIAL SECURITY, MEDICARE, AND  
26 INCOME TAXES UNDER THE TAXPAYER'S OWN FEDERAL AND STATE

1 TAXPAYER IDENTIFICATION NUMBERS; OR

2 (II) THE TAXPAYER IS THE WORK-SITE EMPLOYER, AS DEFINED IN  
3 SECTION 8-70-114 (2) (a) (III), C.R.S., AND AN EMPLOYEE LEASING  
4 COMPANY, AS DEFINED IN SECTION 8-70-114 (2) (a) (I), C.R.S., AS THE  
5 EMPLOYING UNIT FOR, OR CO-EMPLOYER WITH, THE TAXPAYER,  
6 WITHHOLDS SOCIAL SECURITY, MEDICARE, AND INCOME TAXES UNDER THE  
7 EMPLOYEE LEASING COMPANY'S OWN FEDERAL AND STATE TAXPAYER  
8 IDENTIFICATION NUMBERS.

9 **SECTION 2.** 39-35-104 (6), Colorado Revised Statutes, is  
10 amended to read:

11 **39-35-104. Aircraft manufacturer - credit for new employees.**

12 (6) For purposes of this section, an aircraft manufacturer may only claim  
13 the new employee credit for employees for whom:

14 (a) The aircraft manufacturer withholds social security, medicare,  
15 and income taxes under the aircraft manufacturer's own federal and state  
16 taxpayer identification numbers; OR

17 (b) THE AIRCRAFT MANUFACTURER IS THE WORK-SITE EMPLOYER,  
18 AS DEFINED IN SECTION 8-70-114 (2) (a) (III), C.R.S., AND AN EMPLOYEE  
19 LEASING COMPANY, AS DEFINED IN SECTION 8-70-114 (2) (a) (I), C.R.S.,  
20 AS THE EMPLOYING UNIT FOR, OR CO-EMPLOYER WITH, THE AIRCRAFT  
21 MANUFACTURER, WITHHOLDS SOCIAL SECURITY, MEDICARE, AND INCOME  
22 TAXES UNDER THE EMPLOYEE LEASING COMPANY'S OWN FEDERAL AND  
23 STATE TAXPAYER IDENTIFICATION NUMBERS.

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26 **SECTION 3. Applicability.** This act shall apply to tax credits for  
27 employees hired on or after August 3, 2007.

1            **SECTION 4. Safety clause.** The general assembly hereby finds,  
2            determines, and declares that this act is necessary for the immediate  
3            preservation of the public peace, health, and safety.