

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

January 28, 2009
Date

Committee on Business Affairs and Labor.

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

HB09-1001 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 2, after line 7, insert the following:

2 (a) (I) "AFFILIATED GROUP" MEANS ONE OR MORE CHAINS OF
3 PERSONS CONNECTED THROUGH STOCK OR OTHER OWNERSHIP INTERESTS
4 WITH A PERSON IF:

5 (A) ONE OR MORE OF THE OTHER PERSONS IN THE CHAIN OWNS
6 INTERESTS POSSESSING MORE THAN FIFTY PERCENT OF THE VOTING POWER
7 OF ALL CLASSES OF OWNERSHIP INTERESTS EXCEPT OWNERSHIP INTERESTS
8 OF THE COMMON PARENT AND MORE THAN FIFTY PERCENT OF EACH CLASS
9 OF NONVOTING OWNERSHIP INTERESTS OF EACH OF THE PERSONS EXCEPT
10 OWNERSHIP INTERESTS OF THE COMMON PARENT; AND

11 (B) THE COMMON PARENT OWNS INTERESTS POSSESSING MORE
12 THAN FIFTY PERCENT OF THE VOTING POWER OF ALL CLASSES OF
13 OWNERSHIP INTERESTS AND MORE THAN FIFTY PERCENT OF EACH CLASS OF
14 THE NONVOTING OWNERSHIP INTERESTS OF AT LEAST ONE OF THE OTHER
15 PERSONS IN THE CHAIN.

16 (II) AS USED IN THIS PARAGRAPH (a), THE TERM "OWNERSHIP
17 INTEREST" DOES NOT INCLUDE NONVOTING STOCK THAT IS LIMITED AND
18 PREFERRED AS TO DIVIDENDS; EMPLOYER SECURITIES, WITHIN THE
19 MEANING OF SECTION 409 (1) OF THE INTERNAL REVENUE CODE, WHILE
20 SUCH SECURITIES ARE HELD UNDER A TAX CREDIT EMPLOYEE STOCK
21 OWNERSHIP PLAN; OR QUALIFYING EMPLOYER SECURITIES, WITHIN THE

1 MEANING OF SECTION 4975 (e) (8) OF THE INTERNAL REVENUE CODE,
2 WHILE SUCH SECURITIES ARE HELD UNDER AN EMPLOYEE STOCK
3 OWNERSHIP PLAN THAT MEETS THE REQUIREMENTS OF SECTION 4975 (e)
4 (7) OF THE INTERNAL REVENUE CODE.

5 (III) AS USED IN THIS PARAGRAPH (a), THE TERM "PERSON" DOES
6 NOT INCLUDE NATURAL PERSONS."

7 Reletter succeeding paragraphs accordingly.

8 Page 2, line 22, after "TAXPAYER", insert "IN THE STATE FOR THE
9 PROJECT" and, strike "A" and substitute "THE".

10 Page 3, line 1, after "TAXPAYER", insert "IN THE STATE FOR THE PROJECT";

11 after line 1, insert the following:

12 "(g) "PERSON" SHALL HAVE THE SAME MEANING AS PROVIDED IN
13 SECTION 39-21-101 (3)."

14 Reletter succeeding paragraphs accordingly.

15 Page 3, line 8, strike "HAS THE SAME MEANING AS SET FORTH IN";

16 strike line 9 and substitute the following: "MEANS ANY PERSON DOING
17 BUSINESS IN THE STATE. FOR PURPOSES OF THIS SECTION, TAXPAYER
18 INCLUDES AN AFFILIATED GROUP.";

19 strike line 22 and substitute the following:

20 "(I) (A) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS
21 SUBPARAGRAPH (I), BRING A NET JOB GROWTH OF AT LEAST TWENTY NEW
22 JOBS";

23 line 23, strike "YEAR";

24 line 25, strike everything after "IS" and substitute "LOCATED.";

25 strike lines 26 and 27 and substitute the following:

26 "(B) IF THE PROJECT WILL BE LOCATED IN A DESIGNATED

1 ENHANCED RURAL ENTERPRISE ZONE AS SUCH ZONE IS DESCRIBED IN
2 SECTION 39-30-103.2 (1) AND THE LOCAL COMMUNITY OF THE
3 DESIGNATED ENHANCED RURAL ENTERPRISE ZONE PROVIDES RATIONALE
4 TO THE COMMISSION OUTLINING THE PROJECT'S ECONOMIC IMPORTANCE TO
5 THE COMMUNITY, THE PROJECT SHALL, DURING A CREDIT PERIOD, BRING
6 A NET JOB GROWTH OF AT LEAST TEN NEW JOBS TO THE STATE WITH AN
7 AVERAGE YEARLY WAGE OF AT LEAST ONE HUNDRED TEN PERCENT OF THE
8 AVERAGE YEARLY WAGE OF THE ENHANCED RURAL ENTERPRISE ZONE IN
9 WHICH THE TAXPAYER IS LOCATED."

10 Page 4, after line 8, insert the following:

11 "(I) AN IDENTIFICATION OF THE SPECIFIC JOBS THAT WILL BE
12 CREATED."

13 Renumber succeeding subparagraphs accordingly.

14 Page 5, line 6, strike "THE" and substitute "THIS";

15 line 10, strike "AS CALCULATED";

16 strike line 11 and substitute the following:

17 "NEEDED TO ATTRACT THE NEW JOBS TO THIS STATE."

18 Page 6, line 19, after "CERTIFICATE", insert "FOR THAT CALENDAR YEAR";

19 line 22, strike "THAT TAX YEAR." and substitute "THE TAX YEAR THAT
20 INCLUDES THE DECEMBER 31 OF THE CALENDAR YEAR FOR WHICH THE
21 CREDIT CERTIFICATE IS ISSUED."

22 Page 7, line 2, after "IMPOSED", insert "ON THE EMPLOYER";

23 line 3, after "EMPLOYEES", insert "OF THE PROJECT";

24 line 4, strike "3101 ET SEQ." and substitute "3111 (a) AND (b).";

25 line 11, after "IMPOSED", insert "ON THE EMPLOYER", and, after
26 "EMPLOYEES", insert "OF THE PROJECT";

27 line 13, strike "3101 ET SEQ." and substitute "3111 (a) AND (b).".

1 Page 8, strike lines 5 through 10 and substitute the following:

2 "(8) THE COMMISSION SHALL INCLUDE INFORMATION REGARDING
3 ALL CONDITIONAL APPROVALS GRANTED AND CREDIT CERTIFICATES
4 ISSUED PURSUANT TO THIS SECTION, INCLUDING THE CREDITS CLAIMED,
5 THE NAMES OF THE RECIPIENTS OF THE CREDITS, AND THE AMOUNTS
6 CLAIMED, IN ITS ANNUAL REPORT REQUIRED TO BE PRESENTED TO THE
7 GENERAL ASSEMBLY PURSUANT TO SECTION 24-46-104 (2), C.R.S.";

8 line 19, strike "TAXPAYER." and substitute "TAXPAYER, AND THE
9 COMMISSION SHALL ISSUE CREDIT CERTIFICATES IN THE APPROPRIATE
10 AMOUNTS TO EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER
11 CONSTITUENT TAXPAYER.";

12 strike line 23 and substitute the following:

13 "(10) NO LATER THAN SEPTEMBER 1, 2010, AND NO LATER THAN
14 SEPTEMBER";

15 line 24, strike "APRIL" and substitute "SEPTEMBER";

16 line 27, strike "INCOME TAX YEAR" and substitute "CALENDAR YEAR, OR
17 ANY CREDITS DISALLOWED PURSUANT TO SUBPARAGRAPH (II) OF
18 PARAGRAPH (a) OF SUBSECTION (4) OF THIS SECTION FOR ANY YEAR,".

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