# Second Regular Session Sixty-seventh General Assembly STATE OF COLORADO

# REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 10-1200

LLS NO. 10-0750.01 Nicole Myers

HOUSE SPONSORSHIP

#### Hullinghorst,

Heath,

### SENATE SPONSORSHIP

House Committees Finance Senate Committees Finance

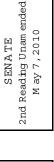
# A BILL FOR AN ACT

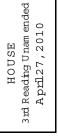
101	CONCERNING A TEMPORARY REQUIREMENT THAT A TAXPAYER DEFER
102	CLAIMING ANY AMOUNT OF AN ENTERPRISE ZONE INVESTMENT
103	INCOME TAX CREDIT THAT EXCEEDS <u>FIVE HUNDRED</u> THOUSAND
104	DOLLARS.

### **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.)

Currently, the enterprise zone investment tax credit (credit) allows a taxpayer to claim an income tax credit that is equal to a percentage of







the taxpayer's total qualified investment in qualified property during an income tax year, as long as the investment is in property that is used solely and exclusively in an enterprise zone for at least one year. A taxpayer is allowed to claim the credit for the first \$5,000 of income tax liability, plus an amount equal to 50% of the taxpayer's tax liability in excess of \$5,000, to the extent permitted by the amount of the qualified investment. A taxpayer is allowed to carry forward the credit for 12 income tax years after the year in which the full amount of the credit was unused.

For the 2011, 2012, and 2013 income tax years, the bill limits the amount of the credit that a taxpayer may claim to \$250,000 and requires that a taxpayer defer claiming any amount of the credit allowed that exceeds \$250,000 to the 2014 income tax year. The bill allows a taxpayer that deferred claiming any credit in excess of \$250,000 to carry forward the credit for 12 income tax years after the year the credit was originally allowed, plus one additional year for each year that the taxpayer had to defer claiming the credit in excess of \$250,000.

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

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**SECTION 1.** 39-30-104 (2) and (2.5), Colorado Revised Statutes,

- 3 are amended to read:
- 4

#### 39-30-104. Credit against tax - investment in certain property

- repeal. (2) (a) The amount of the credit set forth in subsection (1) of
this section shall be subject to the limitations of section 39-22-507.5;
except that, in computing the limitations on credit pursuant to section
39-22-507.5 (3), a taxpayer's actual tax liability for the income tax year
shall not be reduced by the amount of credits allowed by section
39-30-105 and the limit on that portion of a taxpayer's tax liability that
exceeds five thousand dollars shall be fifty percent.

(b) IN ADDITION TO THE LIMITATIONS SET FORTH IN PARAGRAPH (a)
OF THIS SUBSECTION (2), FOR INCOME TAX YEARS COMMENCING ON OR
AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 2014, ANY TAXPAYER
THAT IS ELIGIBLE TO CLAIM A CREDIT PURSUANT TO SUBSECTION (1) OF
THIS SECTION IN EXCESS OF <u>FIVE HUNDRED</u> THOUSAND DOLLARS SHALL

1 DEFER CLAIMING ANY AMOUNT OF THE CREDIT ALLOWED PURSUANT TO 2 THIS SECTION THAT EXCEEDS FIVE HUNDRED THOUSAND DOLLARS UNTIL 3 AN INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1,2014. The 4 FIVE HUNDRED THOUSAND DOLLAR LIMITATION SPECIFIED IN THIS 5 PARAGRAPH (b) SHALL APPLY TO ANY CREDIT ALLOWED IN THE CURRENT 6 YEAR INCLUDING ANY AMOUNT CARRIED FORWARD FROM A PRIOR YEAR. 7 (2.5) (a) Notwithstanding the provisions of section 39-22-507.5 8 (7) (b), AND EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS 9 SUBSECTION (2.5), any excess credit claimed pursuant to this section shall 10 be an investment tax credit carryover to each of the twelve income tax 11 years following the unused credit year.

12 (b) A TAXPAYER THAT DEFERRED CLAIMING ANY CREDIT IN EXCESS 13 OF <u>FIVE HUNDRED</u> THOUSAND DOLLARS DURING AN INCOME TAX YEAR 14 COMMENCING ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 15 2014, PURSUANT TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION 16 SHALL BE ALLOWED TO CLAIM THE DEFERRED CREDIT AS AN INVESTMENT 17 TAX CREDIT CARRYOVER FOR TWELVE INCOME TAX YEARS FOLLOWING THE 18 YEAR THE CREDIT WAS ORIGINALLY ALLOWED PLUS ONE ADDITIONAL 19 INCOME TAX YEAR FOR EACH INCOME TAX YEAR THAT THE CREDIT WAS 20 DEFERRED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (2) OF THIS 21 SECTION.

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

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