

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0599.01 Esther van Mourik x4215

HOUSE BILL 12-1260

HOUSE SPONSORSHIP

Labuda, Court, Ferrandino, Soper, Wilson

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CAP ON THE AMOUNT OF AN INCOME TAX CREDIT
102 THAT MAY BE CLAIMED IN AN INCOME TAX YEAR FOR QUALIFIED
103 INVESTMENTS IN AN ENTERPRISE ZONE.

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>.)

For the income tax years commencing on or after January 1, 2013, the bill limits the amount of an income tax credit that may be claimed in an income tax year for qualified investments in an enterprise zone. The limit is the lesser of:

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.

- ! The taxpayer's actual tax liability for the income tax year to the extent such liability does not exceed \$5,000, plus 50% of any portion of the tax liability for the income tax year that exceeds \$5,000; or
- ! \$250,000.

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

SECTION 1. In Colorado Revised Statutes, 39-30-104, **amend** (2) and (2.5) (b) as follows:

39-30-104. Credit against tax - investment in certain property - repeal. (2) (a) FOR INCOME TAX YEARS COMMENCING PRIOR TO JANUARY 1, 2013, 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~~ JANUARY 1, 2013, any taxpayer that is eligible to claim a credit pursuant to subsection (1) of this section in excess of five hundred thousand dollars shall defer claiming any amount of the credit allowed pursuant to this section that exceeds five hundred thousand dollars until an income tax year commencing on or after ~~January 1, 2014~~ JANUARY 1, 2013. The five hundred thousand dollar limitation specified in this paragraph (b) shall apply to any credit allowed in the ~~current year~~ INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 2013, including any amount carried

1 forward from a prior year.

2 (c) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2013, THE AMOUNT OF THE CREDIT SET FORTH IN SUBSECTION
4 (1) OF THIS SECTION FOR ANY INCOME TAX YEAR SHALL NOT EXCEED THE
5 LESSER OF:

6 (A) THE SUM OF UP TO FIVE THOUSAND DOLLARS OF THE
7 TAXPAYER'S ACTUAL TAX LIABILITY FOR THE INCOME TAX YEAR PLUS
8 FIFTY PERCENT OF ANY PORTION OF THE TAX LIABILITY FOR THE INCOME
9 TAX YEAR THAT EXCEEDS FIVE THOUSAND DOLLARS; OR

10 (B) TWO HUNDRED FIFTY THOUSAND DOLLARS.

11 (II) IN COMPUTING THE LIMITATIONS ON CREDIT PURSUANT TO THIS
12 PARAGRAPH (c), A TAXPAYER'S ACTUAL TAX LIABILITY FOR THE INCOME
13 TAX YEAR SHALL BE DERIVED FROM THE CALCULATED TAX BEFORE ANY
14 REDUCTION OF CREDITS.

15 (2.5) (b) A taxpayer that deferred claiming any credit in excess of
16 five hundred thousand dollars during an income tax year commencing on
17 or after January 1, 2011, but prior to ~~January 1, 2014~~ JANUARY 1, 2013,
18 pursuant to paragraph (b) of subsection (2) of this section shall be
19 allowed to claim the deferred credit as an investment tax credit carryover
20 for twelve income tax years following the year the credit was originally
21 allowed plus one additional income tax year for each income tax year that
22 the credit was deferred pursuant to paragraph (b) of subsection (2) of this
23 section.

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