

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

February 6, 2013  
Date

Committee on Finance.

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

HB13-1042 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 39-22-104, **add** (4)  
4 (p) as follows:

5 **39-22-104. Income tax imposed on individuals, estates, and**  
6 **trusts - single rate - definitions - repeal.** (4) There shall be subtracted  
7 from federal taxable income:

8 (p) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
9 1, 2014, IF A TAXPAYER IS LICENSED UNDER THE "COLORADO MEDICAL  
10 MARIJUANA CODE", ARTICLE 43.3 OF TITLE 12, C.R.S., AN AMOUNT EQUAL  
11 TO ANY EXPENDITURE THAT IS ELIGIBLE TO BE CLAIMED AS A FEDERAL  
12 INCOME TAX DEDUCTION BUT IS DISALLOWED BY SECTION 280E OF THE  
13 INTERNAL REVENUE CODE BECAUSE MARIJUANA IS A CONTROLLED  
14 SUBSTANCE UNDER FEDERAL LAW.

15 **SECTION 2.** In Colorado Revised Statutes, 39-22-304, **add** (3)  
16 (m) as follows:

17 **39-22-304. Net income of corporation.** (3) There shall be  
18 subtracted from federal taxable income:

19 (m) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
20 1, 2014, IF A TAXPAYER IS LICENSED UNDER THE "COLORADO MEDICAL  
21 MARIJUANA CODE", ARTICLE 43.3 OF TITLE 12, C.R.S., AN AMOUNT EQUAL  
22 TO ANY EXPENDITURE THAT IS ELIGIBLE TO BE CLAIMED AS A FEDERAL  
23 INCOME TAX DEDUCTION BUT IS DISALLOWED BY SECTION 280E OF THE

1 INTERNAL REVENUE CODE BECAUSE MARIJUANA IS A CONTROLLED  
2 SUBSTANCE UNDER FEDERAL LAW.

3       **SECTION 3. Act subject to petition - effective date.** This act  
4 takes effect at 12:01 a.m. on the day following the expiration of the  
5 ninety-day period after final adjournment of the general assembly (August  
6 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a  
7 referendum petition is filed pursuant to section 1 (3) of article V of the  
8 state constitution against this act or an item, section, or part of this act  
9 within such period, then the act, item, section, or part will not take effect  
10 unless approved by the people at the general election to be held in  
11 November 2014 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor."

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