

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0729.01 Nicole Myers x4326

HOUSE BILL 14-1001

HOUSE SPONSORSHIP

Singer, Buck, Young

SENATE SPONSORSHIP

Nicholson, Jones, Kefalas

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR A
102 TAXPAYER THAT OWES PROPERTY TAX ON PROPERTY THAT HAS
103 BEEN DESTROYED BY A NATURAL CAUSE.

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>.)

Beginning in the 2013 income tax year, the bill establishes an income tax credit for a taxpayer that owns real or business personal property that was destroyed by a natural cause as determined by the county assessor of the county in which the property is located. The

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.

amount of the credit is an amount equal to the taxpayer's property tax liability for the destroyed property in the property tax year in which the natural cause occurred. A taxpayer is allowed to claim the credit only for the income tax year during which the property was destroyed.

The bill requires the executive director of the department of revenue (department) to create a certification form to be used by a county assessor to certify to the department, at the request of a taxpayer, that the taxpayer's property was destroyed by a natural cause and that the taxpayer is entitled to an income tax credit. The bill specifies the information that shall be included on the certification form for real or business personal property that was destroyed by a natural cause. The department is required to make the certification form available to taxpayers and county assessors on the department's web site and by any other means deemed necessary by the department.

Before claiming an income tax credit, the bill requires a taxpayer to request that the county assessor in the county in which the destroyed property is located complete and sign a certification form for the destroyed property that is the basis of the income tax credit. The county assessor is required to complete and sign the certification form upon such request and the taxpayer is required to submit the completed and signed certification form to the department with the taxpayer's income tax return.

The amount of the credit allowed that exceeds the taxpayer's income taxes due is refunded to the taxpayer.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-536 as
3 follows:

4 **39-22-536. Credit against tax - property destroyed by natural**
5 **cause - rules.** (1) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
6 JANUARY 1, 2013, A TAXPAYER THAT OWNS REAL OR BUSINESS PERSONAL
7 PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE AS DEFINED IN
8 SECTION 39-1-102 (8.4), AS DETERMINED BY THE COUNTY ASSESSOR IN
9 THE COUNTY IN WHICH THE PROPERTY IS LOCATED, SHALL BE ALLOWED A
10 CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN
11 AMOUNT EQUAL TO THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE
12 DESTROYED PROPERTY IN THE PROPERTY TAX YEAR IN WHICH THE

1 NATURAL CAUSE OCCURRED. A TAXPAYER IS ALLOWED TO CLAIM THE
2 CREDIT ONLY FOR THE INCOME TAX YEAR IN WHICH THE PROPERTY WAS
3 DESTROYED.

4 (b) IF A TAXPAYER OWNS REAL PROPERTY ON WHICH MULTIPLE
5 IMPROVEMENTS HAVE BEEN MADE, THE AMOUNT OF THE CREDIT ALLOWED
6 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) IS THE AMOUNT
7 ATTRIBUTABLE ONLY TO THE STRUCTURES THAT WERE DESTROYED BY
8 NATURAL CAUSE AS DETERMINED BY THE COUNTY ASSESSOR IN THE
9 COUNTY IN WHICH THE PROPERTY IS LOCATED.

10 (2) (a) THE EXECUTIVE DIRECTOR, OR THE EXECUTIVE DIRECTOR'S
11 DESIGNEE, SHALL CREATE A CERTIFICATION FORM TO BE USED BY A
12 COUNTY ASSESSOR TO CERTIFY TO THE DEPARTMENT OF REVENUE, AT THE
13 REQUEST OF A TAXPAYER, THAT THE TAXPAYER'S PROPERTY WAS
14 DESTROYED BY A NATURAL CAUSE AS DETERMINED BY THE COUNTY
15 ASSESSOR FOR THE APPLICABLE COUNTY AND THAT THE TAXPAYER IS
16 ENTITLED TO AN INCOME TAX CREDIT AS SPECIFIED IN THIS SECTION.

17 (b) THE CERTIFICATION FORM SHALL REQUIRE A COUNTY ASSESSOR
18 TO INDICATE THE COUNTY IN WHICH HE OR SHE SERVES AS THE ASSESSOR
19 AND TO PROVIDE HIS OR HER NAME AND SIGNATURE. IN ADDITION, THE
20 DEPARTMENT OF REVENUE SHALL ENSURE THAT THE CERTIFICATION FORM
21 REQUIRES A COUNTY ASSESSOR TO INCLUDE THE FOLLOWING
22 INFORMATION:

23 (I) IN THE CASE OF REAL PROPERTY, THE TAXPAYER'S NAME AND
24 ADDRESS, THE TYPE OF NATURAL CAUSE THAT DESTROYED THE PROPERTY,
25 THE DATE OR DATES ON WHICH THE NATURAL CAUSE OCCURRED, THE DATE
26 ON WHICH THE PROPERTY WAS DESTROYED BY THE NATURAL CAUSE, AND
27 THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE PROPERTY THAT WAS

1 DESTROYED BY A NATURAL CAUSE IN THE PROPERTY TAX YEAR IN WHICH
2 THE PROPERTY WAS DESTROYED. IF THE TAXPAYER OWNS REAL PROPERTY
3 ON WHICH MULTIPLE IMPROVEMENTS HAVE BEEN MADE, THE
4 CERTIFICATION FORM SHALL ALSO INCLUDE THE AMOUNT OF PROPERTY
5 TAX LIABILITY THAT IS ATTRIBUTABLE TO THE STRUCTURES THAT WERE
6 DESTROYED BY THE NATURAL CAUSE.

7 (II) IN THE CASE OF BUSINESS PERSONAL PROPERTY, THE
8 TAXPAYER'S NAME, THE NAME OF THE ENTITY UNDER WHICH THE
9 TAXPAYER DOES BUSINESS, IF APPLICABLE, THE ADDRESS WHERE THE
10 BUSINESS PERSONAL PROPERTY WAS LOCATED AT THE TIME OF
11 DESTRUCTION, THE TYPE OF NATURAL CAUSE THAT DESTROYED THE
12 PROPERTY, THE DATE OR DATES ON WHICH THE NATURAL CAUSE
13 OCCURRED, THE DATE ON WHICH THE PROPERTY WAS DESTROYED BY THE
14 NATURAL CAUSE, AND THE TAXPAYER'S PROPERTY TAX LIABILITY FOR THE
15 PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE IN THE PROPERTY
16 TAX YEAR IN WHICH THE PROPERTY WAS DESTROYED.

17 (c) THE DEPARTMENT OF REVENUE SHALL MAKE THE
18 CERTIFICATION FORM AVAILABLE TO TAXPAYERS AND COUNTY ASSESSORS
19 ON THE DEPARTMENT'S WEB SITE AND BY ANY OTHER MEANS DEEMED
20 NECESSARY BY THE DEPARTMENT.

21 (3) (a) BEFORE CLAIMING AN INCOME TAX CREDIT PURSUANT TO
22 SUBSECTION (1) OF THIS SECTION, A TAXPAYER MUST REQUEST THAT THE
23 COUNTY ASSESSOR IN THE COUNTY IN WHICH THE DESTROYED PROPERTY
24 IS LOCATED COMPLETE AND SIGN A CERTIFICATION FORM FOR THE
25 DESTROYED PROPERTY THAT IS THE BASIS OF THE INCOME TAX CREDIT.

26 (b) UPON THE REQUEST OF A TAXPAYER THAT OWNS PROPERTY
27 THAT HAS BEEN DESTROYED BY A NATURAL CAUSE AS DETERMINED BY THE

1 COUNTY ASSESSOR, THE COUNTY ASSESSOR SHALL COMPLETE AND SIGN A
2 CERTIFICATION FORM FOR THE APPLICABLE PROPERTY AND PROVIDE THE
3 FORM TO THE TAXPAYER WITHIN ____ DAYS OF THE REQUEST.

4 (c) A TAXPAYER THAT CLAIMS AN INCOME TAX CREDIT PURSUANT
5 TO SUBSECTION (1) OF THIS SECTION MUST SUBMIT THE COMPLETED AND
6 SIGNED CERTIFICATION FORM TO THE DEPARTMENT OF REVENUE WITH THE
7 TAXPAYER'S INCOME TAX RETURN FOR THE APPLICABLE INCOME TAX YEAR.

8 (4) A TAXPAYER THAT HAS FILED AN INCOME TAX RETURN FOR THE
9 2013 INCOME TAX YEAR BEFORE THE EFFECTIVE DATE OF THIS SECTION
10 MAY FILE AN AMENDED RETURN TO CLAIM THE INCOME TAX CREDIT
11 ALLOWED PURSUANT TO SUBSECTION (1) OF THIS SECTION.

12 (5) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
13 THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE
14 TAXPAYER.

15 (6) THE EXECUTIVE DIRECTOR MAY PROMULGATE RULES AS
16 NECESSARY TO ADMINISTER AND ENFORCE THE PROVISIONS OF THIS
17 SECTION. THE RULES SHALL BE PROMULGATED IN ACCORDANCE WITH
18 ARTICLE 4 OF TITLE 24, C.R.S.

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