

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 14-0712.03 Ed DeCecco x4216

**HOUSE BILL 14-1279**

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF A STATE INCOME TAX CREDIT TO**  
102 **REIMBURSE A BUSINESS FOR PERSONAL PROPERTY TAXES PAID IN**  
103 **THE STATE, AND, IN CONNECTION THEREWITH, REDUCING AN**  
104 **APPROPRIATION.**

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**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 5 income tax years beginning on January 1, 2014, the bill creates an income tax credit to reimburse a qualifying taxpayer for

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.*

HOUSE  
3rd Reading Unamended  
April 14, 2014

HOUSE  
Amended 2nd Reading  
April 10, 2014

personal property taxes paid in Colorado for which the taxpayer does not already receive a state or federal income tax benefit. This is accomplished by allowing a tax credit that is equal to the taxpayer's personal property taxes paid multiplied by a percentage equal to 100% minus the sum of the taxpayer's federal marginal income tax rate for the year and 4.63%.

To qualify for a tax credit, a taxpayer must have \$25,000 or less worth of personal property on which property taxes are paid in Colorado during an income tax year commencing in 2014, or have less than an inflation-adjusted amount for each income tax year thereafter. The amount of the credit that exceeds a taxpayer's income taxes is refunded to the taxpayer.

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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 for personal property taxes paid - legislative**  
5 **declaration - definitions - repeal.** (1) THE GENERAL ASSEMBLY  
6 DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN THIS SECTION  
7 IS TO ASSIST SMALL BUSINESSES IN EXPANDING THEIR OPERATIONS IN  
8 COLORADO.

9 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
10 REQUIRES:

11 (a) "FEDERAL MARGINAL INCOME TAX RATE" MEANS THE FEDERAL  
12 INCOME TAX RATE AT WHICH AN ADDITIONAL DOLLAR OF TAXABLE  
13 INCOME WOULD BE TAXED.

14 (b) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE  
15 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,  
16 CONSUMER PRICE INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL  
17 URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

18 (c) "PROPERTY TAX" MEANS THE AD VALOREM TAX IMPOSED  
19 PURSUANT TO SECTION 3 OF ARTICLE X OF THE STATE CONSTITUTION BUT

1 DOES NOT INCLUDE THE GRADUATED ANNUAL SPECIFIC OWNERSHIP TAX  
2 IMPOSED PURSUANT TO SECTION 6 OF ARTICLE X OF THE STATE  
3 CONSTITUTION.

4 (d) "TAXPAYER" INCLUDES AN ORGANIZATION EXEMPT FROM  
5 FEDERAL TAXATION PURSUANT TO SECTION 501 (c) OF THE INTERNAL  
6 REVENUE CODE.

7 (3) (a) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER  
8 JANUARY 1, 2015, BUT PRIOR TO JANUARY 1, 2020, A TAXPAYER WHO  
9 QUALIFIES UNDER PARAGRAPH (b) OF THIS SUBSECTION (3) IS ALLOWED A  
10 CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE THAT IS EQUAL TO A  
11 PERCENTAGE OF THE PROPERTY TAXES PAID FOR PERSONAL PROPERTY IN  
12 COLORADO DURING THE INCOME TAX YEAR. FOR A GIVEN INCOME TAX  
13 YEAR, A TAXPAYER'S PERCENTAGE IS EQUAL TO ONE HUNDRED PERCENT  
14 MINUS THE SUM OF THE TAXPAYER'S FEDERAL MARGINAL INCOME TAX  
15 RATE FOR THE YEAR AND THE STATE INCOME TAX RATE FOR THE YEAR;  
16 EXCEPT THAT THE PERCENTAGE IS EQUAL TO ONE HUNDRED PERCENT FOR  
17 AN ORGANIZATION THAT:

18 (I) IS EXEMPT FROM FEDERAL TAXATION PURSUANT TO SECTION  
19 501 (c) OF THE INTERNAL REVENUE CODE; AND

20 (II) DOES NOT HAVE BUSINESS PERSONAL PROPERTY THAT IS USED  
21 IN A TRADE OR BUSINESS ON WHICH THE ORGANIZATION PAYS UNRELATED  
22 BUSINESS INCOME TAX.

23 (b) TO QUALIFY FOR A TAX CREDIT UNDER THIS SECTION, A  
24 TAXPAYER MUST HAVE FIFTEEN THOUSAND DOLLARS OR LESS WORTH OF  
25 PERSONAL PROPERTY ON WHICH PROPERTY TAXES ARE PAID IN COLORADO  
26 DURING AN INCOME TAX YEAR COMMENCING IN 2015, OR HAVE LESS THAN  
27 AN INFLATION-ADJUSTED AMOUNT FOR EACH INCOME TAX YEAR

1 THEREAFTER. THESE ANNUAL LIMITS ARE BASED ON THE TOTAL ACTUAL  
2 VALUE OF THE TAXPAYER'S PERSONAL PROPERTY.

3 (c) A TAXPAYER MAY NOT CLAIM A TAX CREDIT UNDER THIS  
4 SECTION FOR THE PAYMENT OF DELINQUENT PROPERTY TAXES THAT WERE  
5 OWED FOR A PRIOR PROPERTY TAX YEAR.

6 (d) THE AMOUNT OF THE CREDIT UNDER THIS SECTION THAT  
7 EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE  
8 TAXPAYER.

9 (4) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER MUST  
10 SUBMIT TO THE DEPARTMENT OF REVENUE A COPY OF A PROPERTY TAX  
11 STATEMENT DESCRIBED IN SECTION 39-10-103 FOR ALL OF THE  
12 TAXPAYER'S PERSONAL PROPERTY FOR THE PROPERTY TAX YEAR FOR  
13 WHICH THE CREDIT IS CLAIMED.

14 (5) THE DEPARTMENT OF REVENUE SHALL PROVIDE THE JOINT  
15 BUDGET COMMITTEE WITH A COPY OF THE PORTION OF THE 2017 TAX  
16 PROFILE AND EXPENDITURE REPORT CREATED PURSUANT TO SECTION  
17 39-21-303 THAT RELATES TO THE CREDIT CREATED IN THIS SECTION.

18 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2022.

19 **SECTION 2. Appropriation - adjustments to 2014 long bill.**

20 (1) For the implementation of this act, the general fund appropriation  
21 made in the annual general appropriation act to the controlled  
22 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado  
23 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased  
24 by \$2,624,842.

25 **SECTION 3. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly (August

1 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
2 referendum petition is filed pursuant to section 1 (3) of article V of the  
3 state constitution against this act or an item, section, or part of this act  
4 within such period, then the act, item, section, or part will not take effect  
5 unless approved by the people at the general election to be held in  
6 November 2014 and, in such case, will take effect on the date of the  
7 official declaration of the vote thereon by the governor.