

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0345.02 Esther van Mourik x4215

HOUSE BILL 14-1014

HOUSE SPONSORSHIP

DelGrosso and Kraft-Tharp,

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Heath and Scheffel,

House Committees

Business, Labor, Economic, & Workforce Development

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A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO THE JOB GROWTH INCENTIVE TAX
102 CREDIT.

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 income tax years commencing on or after January 1, 2014, the bill modifies the job growth incentive tax credit by extending the tax credit claim period from 60 months to 96 months, lowering the average wage match from 110% to 100%, and changing the language that governs the commission's approval of a project to show that the credit is a

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.

substantial factor in the decision to locate or retain the project in Colorado.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-531, **amend**
3 (1) (d), (3) (a) (I), (3) (a) (III), and (3) (b) (III); and **add** (3) (b) (IV) as
4 follows:

5 **39-22-531. Colorado job growth incentive tax credit - rules -**
6 **definitions - repeal.** (1) As used in this section, unless the context
7 otherwise requires:

8 (d) (I) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,
9 2014, "credit period" means a period not to exceed sixty consecutive
10 months from the first month of the initial tax year in which a credit
11 allowed pursuant to this section is first claimed, for which a taxpayer may
12 claim a credit that is calculated annually by the commission.

13 (II) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
14 1, 2014, "CREDIT PERIOD" MEANS A PERIOD NOT TO EXCEED NINETY-SIX
15 CONSECUTIVE MONTHS FROM THE FIRST MONTH OF THE INITIAL TAX YEAR
16 IN WHICH A CREDIT ALLOWED PURSUANT TO THIS SECTION IS FIRST
17 CLAIMED, FOR WHICH A TAXPAYER MAY CLAIM A CREDIT THAT IS
18 CALCULATED ANNUALLY BY THE COMMISSION.

19 (3) The commission may approve any job growth incentive tax
20 credits allowed pursuant to subsection (2) of this section subject to the
21 following:

22 (a) During a credit period a project shall:

23 (I) (A) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY
24 1, 2014, except as provided in sub-subparagraph (B) of this subparagraph
25 (I), bring a net job growth of at least twenty new jobs to the state with an

1 average yearly wage of at least one hundred ten percent of the average
2 yearly wage of the county in which the taxpayer is located, AND FOR
3 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, EXCEPT
4 AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I),
5 BRING A NET JOB GROWTH OF AT LEAST TWENTY NEW JOBS TO THE STATE
6 WITH AN AVERAGE YEARLY WAGE OF AT LEAST ONE HUNDRED PERCENT OF
7 THE AVERAGE YEARLY WAGE OF THE COUNTY IN WHICH THE TAXPAYER IS
8 LOCATED.

9 (B) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,
10 2014, if the project will be located in a designated enhanced rural
11 enterprise zone as such zone is described in section 39-30-103.2 (1) and
12 the local community of the designated enhanced rural enterprise zone
13 provides rationale to the commission outlining the project's economic
14 importance to the community, the project shall, during a credit period,
15 bring a net job growth of at least five new jobs to the state with an
16 average yearly wage of at least one hundred ten percent of the average
17 yearly wage of the enhanced rural enterprise zone in which the taxpayer
18 is located. FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
19 1, 2014, IF THE PROJECT WILL BE LOCATED IN A DESIGNATED ENHANCED
20 RURAL ENTERPRISE ZONE AS SUCH ZONE IS DESCRIBED IN SECTION
21 39-30-103.2 (1) AND THE LOCAL COMMUNITY OF THE DESIGNATED
22 ENHANCED RURAL ENTERPRISE ZONE PROVIDES RATIONALE TO THE
23 COMMISSION OUTLINING THE PROJECT'S ECONOMIC IMPORTANCE TO THE
24 COMMUNITY, THE PROJECT SHALL, DURING A CREDIT PERIOD, BRING A NET
25 JOB GROWTH OF AT LEAST FIVE NEW JOBS TO THE STATE WITH AN AVERAGE
26 YEARLY WAGE OF AT LEAST ONE HUNDRED PERCENT OF THE AVERAGE
27 YEARLY WAGE OF THE ENHANCED RURAL ENTERPRISE ZONE IN WHICH THE

1 TAXPAYER IS LOCATED.

2 (III) (A) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY
3 1, 2014, BE APPROVED BY THE COMMISSION ONLY IF THE PROJECT WOULD NOT
4 OCCUR BUT FOR THE CREDIT ALLOWED IN THIS SECTION.

5 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
6 1, 2014, BE APPROVED BY THE COMMISSION ONLY IF THE CREDIT ALLOWED
7 IN THIS SECTION IS A SUBSTANTIAL FACTOR IN THE DECISION TO LOCATE OR
8 RETAIN THE PROJECT IN COLORADO.

9 (b) A taxpayer shall submit a complete written application for a
10 credit allowed in this section to the commission before the project
11 commences in the state. The application shall include:

12 (III) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,
13 2014, DOCUMENTATION TO DEMONSTRATE THAT WITHOUT THE CREDIT ALLOWED IN
14 THIS SECTION, THE PROJECT WOULD NOT OCCUR IN THIS STATE. SUCH DOCUMENTATION
15 SHALL INCLUDE INFORMATION THAT INDICATES THAT:

16 (A) The taxpayer could reasonably and efficiently locate the
17 project outside of this state;

18 (B) At least one other state is being considered for the project;

19 (C) Receipt of the credit allowed in this section is a major factor
20 in the taxpayer's decision; and

21 (D) Without the credit allowed in this section, the taxpayer is not
22 likely to commence the project in the state.

23 (IV) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
24 JANUARY 1, 2014, DOCUMENTATION TO DEMONSTRATE THAT THE CREDIT
25 ALLOWED IN THIS SECTION IS A SUBSTANTIAL FACTOR IN THE DECISION TO
26 LOCATE THE PROJECT IN COLORADO. SUCH DOCUMENTATION SHALL
27 INCLUDE INFORMATION THAT INDICATES THAT:

1 (A) THE TAXPAYER COULD REASONABLY AND EFFICIENTLY
2 LOCATE THE PROJECT OUTSIDE OF THIS STATE;

3 (B) AT LEAST ONE OTHER STATE IS BEING CONSIDERED FOR THE
4 PROJECT;

5 (C) RECEIPT OF THE CREDIT ALLOWED IN THIS SECTION IS A
6 SUBSTANTIAL FACTOR IN THE TAXPAYER'S DECISION; AND

7 (D) WITHOUT THE CREDIT ALLOWED IN THIS SECTION, THE
8 TAXPAYER HAS A REDUCED PROBABILITY OF COMMENCING THE PROJECT
9 IN THE STATE.

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