

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 14-0345.02 Esther van Mourik x4215

**HOUSE BILL 14-1014**

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**HOUSE SPONSORSHIP**

**DelGrosso and Kraft-Tharp,**

**SENATE SPONSORSHIP**

**Heath and Scheffel,**

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**House Committees**

Business, Labor, Economic, & Workforce Development

Finance

Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO THE JOB GROWTH INCENTIVE TAX**  
102 **CREDIT, AND, IN CONNECTION THEREWITH, REDUCING AN**  
103 **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 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

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  
Amended 2nd Reading  
April 4, 2014

the commission's approval of a project to show that the credit is a substantial factor in the decision to locate or retain the project in Colorado.

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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), (2), (3) (a) (I), (3) (a) (III), (3) (b) (III), (8), and (13); and **add** (3)  
4 (b) (IV) as 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 (2) For income tax years commencing on or after January 1, 2009,  
20 but prior to ~~January 1, 2020~~ JANUARY 1, 2027, at the discretion of the  
21 commission as specified in subsection (3) of this section, there may be  
22 allowed to any taxpayer an annual job growth incentive tax credit with  
23 respect to the income taxes imposed by this article that a taxpayer may  
24 claim for a credit period in an amount determined by the commission

1 pursuant to subsection (5) of this section.

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

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

6 (I) (A) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY  
7 1, 2014, except as provided in sub-subparagraph (B) of this subparagraph  
8 (I), bring a net job growth of at least twenty new jobs to the state with an  
9 average yearly wage of at least one hundred ten percent of the average  
10 yearly wage of the county in which the taxpayer is located, AND FOR  
11 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, EXCEPT  
12 AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I),  
13 BRING A NET JOB GROWTH OF AT LEAST TWENTY NEW JOBS TO THE STATE  
14 WITH AN AVERAGE YEARLY WAGE OF AT LEAST ONE HUNDRED PERCENT OF  
15 THE AVERAGE YEARLY WAGE OF THE COUNTY IN WHICH THE TAXPAYER IS  
16 LOCATED.

17 (B) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,  
18 2014, if the project will be located in a designated enhanced rural  
19 enterprise zone as such zone is described in section 39-30-103.2 (1) and  
20 the local community of the designated enhanced rural enterprise zone  
21 provides rationale to the commission outlining the project's economic  
22 importance to the community, the project shall, during a credit period,  
23 bring a net job growth of at least five new jobs to the state with an  
24 average yearly wage of at least one hundred ten percent of the average  
25 yearly wage of the enhanced rural enterprise zone in which the taxpayer  
26 is located. FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
27 1, 2014, IF THE PROJECT WILL BE LOCATED IN A DESIGNATED ENHANCED

1 RURAL ENTERPRISE ZONE AS SUCH ZONE IS DESCRIBED IN SECTION  
2 39-30-103.2 (1) AND THE LOCAL COMMUNITY OF THE DESIGNATED  
3 ENHANCED RURAL ENTERPRISE ZONE PROVIDES RATIONALE TO THE  
4 COMMISSION OUTLINING THE PROJECT'S ECONOMIC IMPORTANCE TO THE  
5 COMMUNITY, THE PROJECT SHALL, DURING A CREDIT PERIOD, BRING A NET  
6 JOB GROWTH OF AT LEAST FIVE NEW JOBS TO THE STATE WITH AN AVERAGE  
7 YEARLY WAGE OF AT LEAST ONE HUNDRED PERCENT OF THE AVERAGE  
8 YEARLY WAGE OF THE ENHANCED RURAL ENTERPRISE ZONE IN WHICH THE  
9 TAXPAYER IS LOCATED.

10 (III) (A) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY  
11 1, 2014, be approved by the commission only if the project would not  
12 occur but for the credit allowed in this section.

13 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
14 1, 2014, BE APPROVED BY THE COMMISSION ONLY IF THE CREDIT ALLOWED  
15 IN THIS SECTION IS A MAJOR FACTOR IN THE DECISION TO LOCATE OR  
16 RETAIN THE PROJECT IN COLORADO.

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

20 (III) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,  
21 2014, documentation to demonstrate that without the credit allowed in  
22 this section, the project would not occur in this state. Such documentation  
23 shall include information that indicates that:

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

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

27 (C) Receipt of the credit allowed in this section is a major factor

1 in the taxpayer's decision; and

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

4 (IV) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
5 JANUARY 1, 2014, DOCUMENTATION TO DEMONSTRATE THAT THE CREDIT  
6 ALLOWED IN THIS SECTION IS A MAJOR FACTOR IN THE DECISION TO LOCATE  
7 THE PROJECT IN COLORADO. SUCH DOCUMENTATION SHALL INCLUDE  
8 INFORMATION THAT INDICATES THAT:

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

11 (B) AT LEAST ONE OTHER STATE IS BEING CONSIDERED FOR THE  
12 PROJECT;

13 (C) RECEIPT OF THE CREDIT ALLOWED IN THIS SECTION IS A MAJOR  
14 FACTOR IN THE TAXPAYER'S DECISION; AND

15 (D) WITHOUT THE CREDIT ALLOWED IN THIS SECTION, THE  
16 TAXPAYER HAS A REDUCED PROBABILITY OF COMMENCING THE PROJECT  
17 IN THE STATE.

18 (8) (a) The commission shall include information regarding all  
19 conditional approvals granted and credit certificates issued pursuant to  
20 this section, including the credits claimed, the names of the recipients of  
21 the credits, and the amounts claimed, in its annual report required to be  
22 presented to the general assembly pursuant to section 24-46-104 (2),  
23 C.R.S.

24 (b) (I) COMMENCING ON THE EFFECTIVE DATE OF THIS SECTION, AS  
25 AMENDED, AND CONTINUING FOR TWO CALENDAR YEARS, FOR ALL CREDIT  
26 CERTIFICATES ISSUED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (4) OF  
27 THIS SECTION, THE COMMISSION SHALL TRACK INFORMATION REGARDING

1 THE TAXPAYER, INCLUDING BUT NOT LIMITED TO:

2 (A) WHICH TAXPAYERS OFFER HEALTH AND RETIREMENT BENEFITS  
3 AND CONTRIBUTE TOWARDS COVERING THE COSTS OF THOSE BENEFITS, IN  
4 WHOLE OR IN PART, TO THE NEW EMPLOYEES HIRED FOR THE PROJECT;

5 (B) THE TYPES OF POST-SECONDARY DEGREES FOR NEW  
6 EMPLOYEES HIRED FOR THE PROJECT; AND

7 (C) WHAT FACTORS LED THE TAXPAYER TO LOCATE IN COLORADO.

8 (II) THE COMMISSION SHALL INCLUDE ALL THE INFORMATION IT  
9 GATHERED AS A RESULT OF THE TRACKING IN ITS ANNUAL REPORT  
10 REQUIRED TO BE PRESENTED TO THE GENERAL ASSEMBLY PURSUANT TO  
11 SECTION 24-46-104 (2), C.R.S., NO LATER THAN THE THIRD YEAR AFTER  
12 THE TRACKING HAS COMMENCED.

13 (13) This section is repealed, effective ~~January 1, 2030~~ JANUARY  
14 1, 2031.

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

16 (1) For the implementation of this act, the general fund appropriation  
17 made in the annual general appropriation act to the controlled  
18 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado  
19 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased  
20 by \$22,499.

21 **SECTION 3. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, and safety.