

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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

Finance

Appropriations

Senate Committees

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/bills summaries>.)

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), (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
25 pursuant to subsection (5) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (b) (I) COMMENCING ON THE EFFECTIVE DATE OF THIS SECTION, AS
24 AMENDED, AND CONTINUING FOR TWO CALENDAR YEARS, FOR ALL CREDIT
25 CERTIFICATES ISSUED PURSUANT TO PARAGRAPH (b) OF SUBSECTION (4) OF
26 THIS SECTION, THE COMMISSION SHALL TRACK INFORMATION REGARDING
27 THE TAXPAYER, INCLUDING BUT NOT LIMITED TO:

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

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

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

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

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

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