

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
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Appropriations

A BILL FOR AN ACT

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

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
3rd Reading Unamended
April 7, 2014

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.

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), 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 == ==

19 (13) This section is repealed, effective ~~January 1, 2030~~ JANUARY
20 1, 2031.

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

22 (1) For the implementation of this act, the general fund appropriation
23 made in the annual general appropriation act to the controlled
24 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado
25 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased
26 by \$23,226.

27 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.