

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 15-1075.01 Bob Lackner x4350

**HOUSE BILL 15-1383**

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**HOUSE SPONSORSHIP**

**Tyler and Becker K.**, Arndt, Danielson, Duran, Esgar, Fields, Garnett, Ginal, Hullinghorst, Kagan, Kraft-Tharp, Lebsock, Lee, Lontine, McCann, Melton, Moreno, Pabon, Rosenthal, Ryden, Salazar, Singer, Vigil, Williams, Winter

**SENATE SPONSORSHIP**

**(None)**, Newell

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**House Committees**

State, Veterans, & Military Affairs

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING MODIFICATIONS TO THE COLORADO LOW-INCOME**  
102      **HOUSING TAX CREDIT.**

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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>.)*

The bill makes the following modifications to the existing Colorado low-income housing credit:

- !      Extends from 2 years to 5 years, through the calendar year ending December 31, 2019, the period during which the Colorado housing and finance authority may allocate low-income housing tax credits; and

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.*

! Adds provisions enabling the transfer of such income tax credits.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-2101, **add** (12)  
3 as follows:

4 **39-22-2101. Definitions.** As used in this part 21, unless the  
5 context otherwise requires:

6 (12) "TRANSFEREE" MEANS AN INDIVIDUAL, A PERSON, A FIRM, A  
7 CORPORATION, OR OTHER ENTITY THAT IS SUBJECT TO TAXES IMPOSED BY  
8 THIS ARTICLE WHO RECEIVES A CREDIT FROM EITHER A QUALIFIED  
9 TAXPAYER OR ANOTHER TRANSFEREE.

10 **SECTION 2.** In Colorado Revised Statutes, 39-22-2102, **amend**  
11 (6) and (7) introductory portion; and **add** (9) as follows:

12 **39-22-2102. Credit against tax - low-income housing**  
13 **developments.** (6) The allocated credit amount may be taken BY A  
14 QUALIFIED TAXPAYER OR TRANSFEREE against the taxes imposed by this  
15 article for each taxable year of the credit period. Any amount of credit  
16 that exceeds the tax due for a taxable year may be carried forward as a tax  
17 credit against subsequent years' income tax liability up to eleven tax years  
18 following the tax year in which the allocation was made. ~~and must be~~  
19 ~~applied first to the earliest years possible.~~ Any amount of the credit that  
20 is not used shall not be refunded to the QUALIFIED taxpayer OR  
21 TRANSFEREE.

22 (7) During each calendar year of the ~~two-year~~ FIVE-YEAR period  
23 beginning January 1, 2015, and ending ~~December 31, 2016~~ DECEMBER  
24 31, 2019, the authority may allocate a credit, the full amount of which  
25 may be claimed against the taxes imposed by this article for each taxable

1 year of the six-year credit period. The aggregate amount of all credits  
2 allocated by the authority in each calendar year of the ~~two-year~~ FIVE-YEAR  
3 period beginning January 1, 2015, and ending ~~December 31, 2016~~  
4 DECEMBER 31, 2019, shall not exceed the amount of:

5 (9) A QUALIFIED TAXPAYER OR A TRANSFEREE MAY TRANSFER ALL  
6 OR A PORTION OF A CREDIT GRANTED PURSUANT TO SUBSECTION (1) OF  
7 THIS SECTION TO A TRANSFEREE TO APPLY AS A CREDIT AGAINST THE  
8 TAXES IMPOSED BY THIS ARTICLE SUBJECT TO THE FOLLOWING  
9 LIMITATIONS:

10 (a) A QUALIFIED TAXPAYER OR TRANSFEREE MAY ONLY TRANSFER  
11 A PORTION OF THE CREDIT THAT HAS NEVER BEEN APPLIED AGAINST THE  
12 INCOME TAXES OF ANY TAXPAYER IMPOSED BY THIS ARTICLE. CREDITS  
13 MAY BE TRANSFERRED TO TRANSFEREES WHILE THEY HAVE  
14 CARRYFORWARD STATUS AND MAY BE CLAIMED ON AMENDED RETURNS  
15 FOR THE YEAR OF ISSUANCE OR CARRYFORWARD YEARS WITHIN THE  
16 APPLICABLE STATUTE OF LIMITATIONS.

17 (b) A QUALIFIED TAXPAYER OR TRANSFEREE MAY TRANSFER A  
18 PRORATED PORTION OF THE CREDIT TO MORE THAN ONE TRANSFEREE.

19 (c) FOR ANY TAX YEAR IN WHICH A CREDIT IS TRANSFERRED  
20 PURSUANT TO THIS SUBSECTION (9), BOTH THE TRANSFEROR AND THE  
21 TRANSFEREE SHALL FILE WRITTEN STATEMENTS WITH THEIR INCOME TAX  
22 RETURNS SPECIFYING THE AMOUNT OF THE CREDIT TRANSFERRED.

23 (d) A QUALIFIED TAXPAYER OR TRANSFEREE MAY TRANSFER A  
24 CREDIT PURSUANT TO THIS SUBSECTION (9) REGARDLESS OF WHETHER THE  
25 TRANSFEROR RECEIVES VALUE IN EXCHANGE FOR THE TRANSFER. THE  
26 TRANSFEREE OR A SUBSEQUENT TRANSFEREE MAY USE THE CREDIT TO PAY,  
27 IN WHOLE OR IN PART, THE INCOME TAX OBLIGATION IMPOSED ON THE

1 TRANSFEREE OR SUBSEQUENT TRANSFEREE UNDER THIS ARTICLE. THE  
2 TRANSFEREE'S USE OF A TAX CREDIT FROM A TRANSFEROR UNDER THIS  
3 SECTION TO PAY TAXES OWED IS NOT DEEMED A REDUCTION IN THE  
4 AMOUNT OF INCOME TAXES IMPOSED BY THIS ARTICLE ON THE  
5 TRANSFEREE.

6 (e) EACH TRANSFEREE SHALL SUBMIT TO THE DEPARTMENT A  
7 TRANSFER FORM APPROVED BY THE DEPARTMENT ESTABLISHING THAT THE  
8 TRANSFEREE HAS SATISFIED THE REQUIREMENTS OF THIS SECTION.

9 (f) THE TRANSFER OF A CREDIT PURSUANT TO THIS SUBSECTION (9)  
10 MAY OCCUR AT ANY TIME AFTER ISSUANCE OF A CREDIT THROUGH THE END  
11 OF THE TAX CREDIT'S ELEVEN-YEAR CARRYFORWARD PERIOD.

12 (g) A CREDIT HELD BY AN INDIVIDUAL SURVIVES THE DEATH OF  
13 THE INDIVIDUAL AND MAY BE CLAIMED OR TRANSFERRED BY THE  
14 DECEDENT'S ESTATE.

15 (h) TRANSFEREES ARE NOT SUBJECT TO RECAPTURE UNDER  
16 SECTION 39-22-2103.

17 **SECTION 3.** In Colorado Revised Statutes, 39-22-2103, **amend**  
18 (1), (2), and (4) as follows:

19 **39-22-2103. Recapture.** (1) As of the last day of any taxable year  
20 during the compliance period, if the amount of the qualified basis of a  
21 qualified development with respect to a QUALIFIED taxpayer is less than  
22 the amount of the qualified basis as of the last day of the prior taxable  
23 year, then the amount of the QUALIFIED taxpayer's state income tax  
24 liability for that taxable year shall be increased by the credit recapture  
25 amount.

26 (2) For purposes of subsection (1) of this section, the credit  
27 recapture amount is an amount equal to the aggregate decrease in the

1 credit allowed to the QUALIFIED taxpayer pursuant to this part 21 for all  
2 prior taxable years that would have resulted if the accelerated portion of  
3 the credit allowable by reason of this part 21 were not allowed for all  
4 prior taxable years with respect to the reduced amount of qualified basis  
5 described in subsection (1) of this section.

6 (4) In the event that recapture of any credit is required in any tax  
7 year, the return submitted for that tax year to the department shall include  
8 the proportion of credit required to be recaptured, the identity of each  
9 QUALIFIED taxpayer subject to the recapture, and the amount of credit  
10 previously allocated to such QUALIFIED taxpayer, EVEN IF SUCH CREDIT  
11 WAS SUBSEQUENTLY TRANSFERRED TO A TRANSFEREE.

12 **SECTION 4.** In Colorado Revised Statutes, **amend** 39-22-2104  
13 as follows:

14 **39-22-2104. Filing requirements.** An owner of a qualified  
15 development to which a credit has been allocated and each qualified  
16 taxpayer OR TRANSFEREE to which such owner has allocated OR  
17 TRANSFERRED a portion of said credit, if any, shall file with their state  
18 income tax return a copy of the allocation certificate issued by the  
19 authority with respect to such development and a copy of the owner's  
20 certification to the department as to the allocation of the credit among the  
21 qualified taxpayers having ownership interests in such development. THE  
22 DEPARTMENT SHALL MAINTAIN INFORMATION ON THE TRANSFERS OF TAX  
23 CREDITS MADE PURSUANT TO SECTION 39-22-2102 (9).

24 **SECTION 5.** In Colorado Revised Statutes, 39-22-2105, **amend**  
25 (1) as follows:

26 **39-22-2105. Parallel credits - insurance premium taxes.**  
27 (1) Any taxpayer who is subject to the tax on insurance premiums

1 established by sections 10-3-209, 10-5-111, and 10-6-128, C.R.S., and  
2 who is therefore exempt from the payment of income tax and who is  
3 otherwise eligible to claim a credit pursuant to this part 21 AS EITHER A  
4 QUALIFIED TAXPAYER OR A TRANSFEREE may claim such credit and carry  
5 such credit forward against such insurance premium tax to the same  
6 extent as the taxpayer would have been able to claim or carry forward  
7 such credit or refund against income tax. All other provisions of this part  
8 21 with respect to the credit, including the amount, allocation, and  
9 recapture of the credit and the years for which the credit may be claimed  
10 shall apply to a credit claimed pursuant to this section.

11           **SECTION 6. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.