

**First Regular Session
Sixty-third General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 01-0251.01 Jason Gelender

HOUSE BILL 01-1201

HOUSE SPONSORSHIP

Stafford, Clapp, Cloer, Johnson, Smith, Snook, Webster, and White

SENATE SPONSORSHIP

Musgrave,

House Committees

Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE MODIFICATION OF EXISTING STATE INCOME TAX**
102 **CREDITS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

For income tax years commencing on or after January 1, 2001, modifies the existing income tax credit for contributions that promote child care in the state by:

- Allowing contributions of qualifying publically traded securities to be deemed equivalent to cash contributions for purposes of determining whether and to what extent a credit is to be allowed; and
- Allowing the credit to be claimed for contributions of real

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.*

property.

For income tax years commencing on or after January 1, 2001, modifies the existing income tax credit for contributions to enterprise zone administrators by:

- Clarifying that contributions of real property are not "in kind" contributions;
- Allowing contributions of qualifying publically traded securities to be deemed equivalent to cash contributions for purposes of determining whether and to what extent a credit is to be allowed; and
- Eliminating the credit to the extent that it has been allowed for contributions to promote child care in enterprise zones.

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

2 **SECTION 1.** 39-22-121 (1.5), Colorado Revised Statutes, is
3 amended, and the said 39-22-121 is further amended BY THE
4 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

5 **39-22-121. Credit for child care facilities - repeal.** (1.5) For
6 income tax years commencing on or after January 1, 2000, BUT BEFORE
7 JANUARY 1, 2004, any taxpayer who makes a monetary contribution to
8 promote child care in the state shall be allowed a credit against the income
9 tax imposed by article 22 of this title in an amount equal to fifty percent
10 of the total value of the contribution except as otherwise provided in
11 subsection (5) of this section.

12 (1.7) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
13 1, 2004, ANY TAXPAYER WHO MAKES A MONETARY CONTRIBUTION OR A
14 CONTRIBUTION OF REAL PROPERTY TO PROMOTE CHILD CARE IN THE STATE
15 SHALL BE ALLOWED A CREDIT AGAINST THE INCOME TAX IMPOSED BY THIS
16 ARTICLE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE TOTAL VALUE OF
17 A MONETARY CONTRIBUTION OR FORTY-FIVE PERCENT OF THE TOTAL VALUE
18 OF A CONTRIBUTION OF REAL PROPERTY, EXCEPT AS OTHERWISE PROVIDED
19 IN SUBSECTION (5) OF THIS SECTION. FOR THE PURPOSE OF CALCULATING

1 THE AMOUNT OF ANY CREDIT ALLOWED FOR A CONTRIBUTION OF REAL
2 PROPERTY, THE PRESUMPTIVE VALUE OF THE REAL PROPERTY CONTRIBUTED
3 SHALL BE THE ACTUAL VALUE OF THE REAL PROPERTY FOR THE YEAR IN
4 WHICH THE TAXPAYER MADE THE CONTRIBUTION AS SET FORTH IN THE
5 NOTICE OF VALUATION ISSUED PURSUANT TO SECTION 39-5-121.

6 (6.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
7 1, 2004, FOR PURPOSES OF THIS SECTION:

8 (a) "MONETARY CONTRIBUTION" MEANS A DONATION OF CASH OR
9 QUALIFYING PUBLICALLY TRADED SECURITIES.

10 (b) "MONEY" MEANS CASH OR QUALIFYING PUBLICALLY TRADED
11 SECURITIES.

12 (c) "QUALIFYING PUBLICALLY TRADED SECURITIES" MEANS
13 SECURITIES, INCLUDING BUT NOT LIMITED TO STOCKS AND BONDS, FOR
14 WHICH MARKET QUOTATIONS WERE READILY AVAILABLE ON AN
15 ESTABLISHED SECURITIES MARKET AS OF THE DATE ON WHICH A TAXPAYER
16 DONATED THE SECURITIES FOR THE PURPOSE OF PROMOTING CHILD CARE IN
17 THE STATE.

18 **SECTION 2.** The introductory portions to 39-30-103.5 (1) (a) (II)
19 and (3) (a) and 39-30-103.5 (1) (a) (I), (2), (3) (a) (I), and (4), Colorado
20 Revised Statutes, are amended, and the said 39-30-103.5 is further
21 amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22 **39-30-103.5. Credit against tax - contributions to enterprise**
23 **zone administrators to implement economic development plans.**

24 (1) (a) (I) Except as otherwise provided in subparagraph (II) of this
25 paragraph (a), for income tax years commencing on or after January 1,
26 2000, BUT BEFORE JANUARY 1, 2004, any taxpayer who makes a monetary
27 or in-kind contribution OR A CONTRIBUTION OF REAL PROPERTY for the

1 purpose of implementing the economic development plan for the
2 enterprise zone to the person or agency that has been designated as the
3 enterprise zone administrator by the Colorado economic development
4 commission shall be allowed a credit against the income tax imposed by
5 article 22 of this title in an amount equal to fifty percent of the total value
6 of the contribution as certified by the enterprise zone administrator. FOR
7 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2004, ANY
8 TAXPAYER WHO MAKES A MONETARY OR IN-KIND CONTRIBUTION OR A
9 CONTRIBUTION OF REAL PROPERTY TO THE ENTERPRISE ZONE
10 ADMINISTRATOR FOR THE PURPOSE OF IMPLEMENTING THE ECONOMIC
11 DEVELOPMENT PLAN SHALL BE ALLOWED A CREDIT AGAINST THE INCOME
12 TAXES IMPOSED BY ARTICLE 22 OF THIS TITLE IN AN AMOUNT EQUAL TO
13 FORTY-FIVE PERCENT OF THE TOTAL VALUE OF ANY MONETARY OR IN-KIND
14 CONTRIBUTION OR CONTRIBUTION OF REAL PROPERTY AS CERTIFIED BY THE
15 ENTERPRISE ZONE ADMINISTRATOR. FOR THE PURPOSE OF CALCULATING
16 THE AMOUNT OF ANY CREDIT ALLOWED FOR A CONTRIBUTION OF REAL
17 PROPERTY, THE PRESUMPTIVE VALUE OF THE REAL PROPERTY CONTRIBUTED
18 SHALL BE THE ACTUAL VALUE OF THE REAL PROPERTY FOR THE YEAR IN
19 WHICH THE TAXPAYER MADE THE CONTRIBUTION AS SET FORTH IN THE
20 NOTICE OF VALUATION ISSUED PURSUANT TO SECTION 39-5-121.

21 (II) For income tax years commencing on or after January 1, 1996,
22 BUT PRIOR TO JANUARY 1, 2004, the amount of the credit allowed for
23 contributions made pursuant to this paragraph (a) shall be twenty-five
24 percent of the total value of the contribution as certified by the enterprise
25 zone administrator; except that nothing in this subparagraph (II) shall be
26 construed to affect the amount of the credit:

27 (2) ~~Monetary or in-kind contributions to promote child care in~~

1 ~~enterprise zones shall be deemed to be for the purpose of implementing~~
2 ~~the economic development plan for the enterprise zone and shall include~~
3 ~~but shall not be limited to the following types of contributions:~~

4 ~~(a) For income tax years commencing prior to January 1, 1999,~~
5 ~~monetary or in-kind contributions to promote child care in enterprise~~
6 ~~zones shall be deemed to be for the purpose of implementing the~~
7 ~~economic development plan for the enterprise zone and shall include but~~
8 ~~shall not be limited to the following types of contributions:~~

9 ~~(I) Donating money, real estate, or property to the enterprise zone~~
10 ~~for the establishment of a child care facility;~~

11 ~~(II) Donating money to the enterprise zone to establish a grant or~~
12 ~~loan program for a parent or parents requiring financial assistance for~~
13 ~~child care;~~

14 ~~(III) Pooling moneys of several businesses and donating such~~
15 ~~moneys to the enterprise zone for the establishment of a child care~~
16 ~~facility;~~

17 ~~(IV) Donating money to the enterprise zone for the training of~~
18 ~~child care providers; and~~

19 ~~(V) Donating money, services, or equipment to the enterprise zone~~
20 ~~for the establishment of an information dissemination program to provide~~
21 ~~information and referral services to assist a parent or parents in obtaining~~
22 ~~child care.~~

23 ~~(b) Notwithstanding any other provision to the contrary, nothing~~
24 ~~in this subsection (2) shall be construed to limit the ability of a taxpayer~~
25 ~~to claim a credit under this subsection (2) for contributions made on or~~
26 ~~after January 1, 1999, pursuant to the terms of an agreement entered into~~
27 ~~prior to such date between the taxpayer and an enterprise zone~~

1 administrator.

2 (3) (a) Monetary ~~or in-kind contributions~~ OR CONTRIBUTIONS OF
3 REAL PROPERTY to promote temporary, emergency, or transitional housing
4 programs for the homeless that offer or provide referrals to child care, job
5 placement, and counseling services for the purpose of promoting
6 employment for homeless persons in enterprise zones shall be deemed to
7 be for the purpose of implementing the economic development plan for
8 the enterprise zone and shall include but not be limited to the following
9 types of contributions:

10 (I) Donating money, real ~~estate, or property,~~ OR OTHER PROPERTY
11 to the enterprise zone for the establishment of temporary, emergency, or
12 transitional housing for the homeless to include child care and job
13 placement services;

14 (4) In no event shall credits be allowed pursuant to this section for
15 contributions that directly benefit the contributor or that are not directly
16 related to job creation, job preservation, or other purposes specified in
17 ~~subsections (2) and~~ SUBSECTION (3) of this section.

18 (8) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
19 1, ~~2004,~~ FOR PURPOSES OF THIS SECTION:

20 (a) "IN KIND CONTRIBUTION" MEANS A DONATION OF SERVICES OR
21 PROPERTY OTHER THAN REAL PROPERTY.

22 (b) "MONETARY CONTRIBUTION" MEANS A DONATION OF CASH OR
23 QUALIFYING PUBLICALLY TRADED SECURITIES.

24 (c) "MONEY" MEANS CASH OR QUALIFYING PUBLICALLY TRADED
25 SECURITIES.

26 (d) "QUALIFYING PUBLICALLY TRADED SECURITIES" MEANS
27 SECURITIES, INCLUDING BUT NOT LIMITED TO STOCKS AND BONDS, FOR

1 WHICH MARKET QUOTATIONS WERE READILY AVAILABLE ON AN
2 ESTABLISHED SECURITIES MARKET AS OF THE DATE ON WHICH A TAXPAYER
3 DONATED THE SECURITIES TO AN ENTERPRISE ZONE ADMINISTRATOR OR A
4 PROGRAM, PROJECT, OR ORGANIZATION CERTIFIED BY AN ENTERPRISE ZONE
5 ADMINISTRATOR.

6 **SECTION 3. Effective date - applicability.** (1) This act shall
7 take effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly that is
9 allowed for submitting a referendum petition pursuant to article V, section
10 1 (3) of the state constitution; except that, if a referendum petition is filed
11 against this act or an item, section, or part of this act within such period,
12 then the act, item, section, or part, if approved by the people, shall take
13 effect on the date of the official declaration of the vote thereon by
14 proclamation of the governor.

15 (2) The provisions of this act shall apply to contributions made on
16 or after January 1, 2004.