

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

INTRODUCED

LLS NO. 01-0175.01 Dan Cartin

HOUSE BILL 01-1120

HOUSE SPONSORSHIP

Hefley

SENATE SPONSORSHIP

(None)

House Committees

Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX CREDIT FOR PERSONAL PROPERTY**

102 **TAXES PAID ON BUSINESS PERSONAL PROPERTY.**

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, 2002, creates a tax credit against income taxes equal to the amount of personal property taxes paid on business personal property acquired on or after January 1, 2000.

Commencing with the 2002 income tax year, phases in over a period of 4 consecutive years a tax credit against income taxes equal to the amount of property taxes paid on business personal property acquired on or before December 31, 1999.

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.

Specifies that the aggregate amount of any tax credits claimed in an income tax year shall be reduced by the amount of any credit claimed under the tax credit against state taxes in years that excess state revenues exist.

Allows any amount of the credits that exceeds a taxpayer's income tax liability for a given income tax year to be carried forward for a period not to exceed 5 years, but requires the credits to be applied first to the earliest years possible.

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

2 **SECTION 1.** Part 5 of article 22 of title 39, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

4 **39-22-527. Credit against tax - business personal property tax**
5 **paid.** (1) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR
6 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2002, BUT
7 PRIOR TO JANUARY 1, 2005, THERE SHALL BE ALLOWED TO EACH TAXPAYER
8 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN
9 AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF PERSONAL PROPERTY TAX
10 PAID BY THE TAXPAYER DURING THE INCOME TAX YEAR FOR WHICH THE
11 CREDIT IS CLAIMED ON BUSINESS PERSONAL PROPERTY LOCATED IN
12 COLORADO AND ACQUIRED ON OR AFTER JANUARY 1, 2000. THE TAX
13 CREDIT ALLOWED BY THIS SUBSECTION (1) SHALL BE IN ADDITION TO ANY
14 OTHER TAX CREDIT ALLOWED THE TAXPAYER PURSUANT TO THIS SECTION.

15 (2) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR
16 THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2002, BUT
17 PRIOR TO JANUARY 1, 2003, THERE SHALL BE ALLOWED TO EACH TAXPAYER
18 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN
19 AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE AGGREGATE AMOUNT OF
20 PERSONAL PROPERTY TAX PAID BY THE TAXPAYER DURING THE INCOME TAX
21 YEAR FOR WHICH THE CREDIT IS CLAIMED ON BUSINESS PERSONAL

1 PROPERTY LOCATED IN COLORADO AND ACQUIRED ON OR BEFORE
2 DECEMBER 31, 1999. THE TAX CREDIT ALLOWED BY THIS SUBSECTION (2)
3 SHALL BE IN ADDITION TO THE TAX CREDIT ALLOWED THE TAXPAYER
4 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

5 (3) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR
6 THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2003, BUT
7 PRIOR TO JANUARY 1, 2004, THERE SHALL BE ALLOWED TO EACH TAXPAYER
8 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN
9 AMOUNT EQUAL TO FIFTY PERCENT OF THE AGGREGATE AMOUNT OF
10 PERSONAL PROPERTY TAX PAID BY THE TAXPAYER DURING THE INCOME TAX
11 YEAR FOR WHICH THE CREDIT IS CLAIMED ON BUSINESS PERSONAL
12 PROPERTY LOCATED IN COLORADO AND ACQUIRED ON OR BEFORE
13 DECEMBER 31, 1999. THE TAX CREDIT ALLOWED BY THIS SUBSECTION (3)
14 SHALL BE IN ADDITION TO THE TAX CREDIT ALLOWED THE TAXPAYER
15 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

16 (4) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR
17 THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2004, BUT
18 PRIOR TO JANUARY 1, 2005, THERE SHALL BE ALLOWED TO EACH TAXPAYER
19 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN
20 AMOUNT EQUAL TO SEVENTY-FIVE PERCENT OF THE AGGREGATE AMOUNT
21 OF PERSONAL PROPERTY TAX PAID BY THE TAXPAYER DURING THE INCOME
22 TAX YEAR FOR WHICH THE CREDIT IS CLAIMED ON BUSINESS PERSONAL
23 PROPERTY LOCATED IN COLORADO AND ACQUIRED ON OR BEFORE
24 DECEMBER 31, 1999. THE TAX CREDIT ALLOWED BY THIS SUBSECTION (4)
25 SHALL BE IN ADDITION TO THE TAX CREDIT ALLOWED THE TAXPAYER
26 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

27 (5) EXCEPT AS PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR

1 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2005, THERE
2 SHALL BE ALLOWED TO EACH TAXPAYER A CREDIT AGAINST THE INCOME
3 TAXES IMPOSED BY THIS ARTICLE IN AN AMOUNT EQUAL TO THE AGGREGATE
4 AMOUNT OF PERSONAL PROPERTY TAX PAID BY THE TAXPAYER DURING THE
5 INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED ON BUSINESS
6 PERSONAL PROPERTY LOCATED IN COLORADO.

7 (6) THE AGGREGATE AMOUNT OF ANY TAX CREDITS CLAIMED IN AN
8 INCOME TAX YEAR PURSUANT TO THIS SECTION SHALL BE REDUCED BY THE
9 AMOUNT OF ANY CREDIT CLAIMED UNDER:

- 10 (a) SECTIONS 22-32-110 (1) (ff) AND (1) (gg);
- 11 (b) SECTIONS 30-11-123 (1) (b) AND (2);
- 12 (c) SECTIONS 31-15-903 (1) (b) AND (2); AND
- 13 (d) SECTION 39-22-124.

14 (7) IF THE AMOUNT OF ANY CREDITS PROVIDED PURSUANT TO THIS
15 SECTION EXCEEDS THE AMOUNT OF INCOME TAXES DUE ON THE INCOME OF
16 THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE CREDITS ARE
17 BEING CLAIMED, THE AMOUNT OF THE CREDITS NOT USED AS AN OFFSET
18 AGAINST INCOME TAXES IN SAID INCOME TAX YEAR SHALL NOT BE
19 ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AS A CREDIT
20 AGAINST SUBSEQUENT YEARS' TAX LIABILITY FOR A PERIOD NOT EXCEEDING
21 FIVE YEARS AND SHALL BE APPLIED FIRST TO THE EARLIEST INCOME TAX
22 YEARS POSSIBLE. ANY AMOUNT OF THE CREDITS THAT IS NOT USED DURING
23 SAID PERIOD SHALL NOT BE REFUNDABLE TO THE TAXPAYER.

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