

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

INTRODUCED

LLS NO. 01-0686.01 Jason Gelender

HOUSE BILL 01-1202

HOUSE SPONSORSHIP

Fritz, Lee, Mitchell, and Rhodes

SENATE SPONSORSHIP

(None),

House Committees

Finance

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCOME TAX CREDIT FOR A QUALIFYING**
102 **CONTRIBUTION TO A NONPROFIT ORGANIZATION THAT PROVIDES**
103 **ASSISTANCE TO LOW-INCOME INDIVIDUALS.**

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, allows an income tax credit to any taxpayer making a qualifying contribution of cash, qualifying publicly traded securities, or real estate to a qualified nonprofit organization that provides specified types of assistance primarily to low-income individuals. Requires the amount of the credit allowed to be a specified percentage of the amount or value of the qualifying contribution.

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.

Requires a qualified nonprofit organization that receives a contribution to provide a receipt to the taxpayer making the contribution. Allows the amount of a credit in excess of a taxpayer's income tax liability to be carried forward for up to 5 years.

Defines terms.

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 for contributions to nonprofit organizations**
5 **that assist low-income persons.** (1) FOR PURPOSES OF THIS SECTION:

6 (a) "LOW-INCOME INDIVIDUALS" MEANS INDIVIDUALS WHOSE
7 ANNUAL INCOME DOES NOT EXCEED EIGHTY PERCENT OF THE AREA MEDIAN
8 INCOME.

9 (b) "QUALIFIED NONPROFIT ORGANIZATION" MEANS AN
10 ORGANIZATION OPERATING IN COLORADO THAT IS EXEMPT FROM FEDERAL
11 INCOME TAXES PURSUANT TO SECTION 501 (c) (3) OF THE INTERNAL
12 REVENUE CODE OR THAT IS OPERATED BY A GOVERNMENTAL ENTITY AND
13 IS EXEMPT FROM TAXATION AND THAT HAS THE PRIMARY PURPOSE,
14 OBJECTIVE, OR MISSION OF ASSISTING LOW-INCOME INDIVIDUALS BY
15 ENGAGING IN ONE OR MORE OF THE FOLLOWING ACTIVITIES:

16 (I) FUNDING, DEVELOPING, CONSTRUCTING, OR MANAGING
17 AFFORDABLE PERMANENT HOUSING UNITS, TRANSITIONAL HOUSING UNITS,
18 OR HOMELESS SHELTERS PRIMARILY FOR LOW-INCOME INDIVIDUALS;

19 (II) PROVIDING HOUSING COUNSELING SERVICES PRIMARILY TO
20 LOW-INCOME INDIVIDUALS;

21 (III) PROVIDING EMPLOYMENT TRAINING OR WORK ASSISTANCE
22 PROGRAMS PRIMARILY FOR LOW-INCOME INDIVIDUALS;

23 (IV) PROVIDING FREE OR SUBSIDIZED HEALTH CARE SERVICES

1 PRIMARILY TO LOW-INCOME INDIVIDUALS; OR

2 (V) CONSTRUCTING HEALTH CARE FACILITIES PRIMARILY TO SERVE
3 LOW-INCOME INDIVIDUALS.

4 (c) "QUALIFYING CONTRIBUTION" MEANS A CONTRIBUTION OF
5 CASH, QUALIFYING PUBLICLY TRADED SECURITIES, OR REAL ESTATE.

6 (d) "QUALIFYING PUBLICLY TRADED SECURITIES" MEANS
7 SECURITIES, INCLUDING BUT NOT LIMITED TO STOCKS AND BONDS, FOR
8 WHICH MARKET QUOTATIONS WERE READILY AVAILABLE ON AN
9 ESTABLISHED SECURITIES MARKET AS OF THE DATE ON WHICH A TAXPAYER
10 DONATED THE SECURITIES TO A QUALIFYING NONPROFIT ORGANIZATION.

11 (2) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
12 1, 2001, THERE SHALL BE ALLOWED TO ANY TAXPAYER THAT MAKES A
13 QUALIFYING CONTRIBUTION TO A QUALIFIED NONPROFIT ORGANIZATION A
14 CREDIT AGAINST THE INCOME TAX IMPOSED BY THIS ARTICLE IN AN AMOUNT
15 EQUAL TO FIFTY PERCENT OF THE TOTAL VALUE OF ANY QUALIFYING
16 CONTRIBUTION IN THE FORM OF CASH AND TWENTY-FIVE PERCENT OF THE
17 TOTAL VALUE OF ANY QUALIFYING CONTRIBUTION IN THE FORM OF
18 QUALIFYING PUBLICLY TRADED SECURITIES, OR REAL ESTATE. FOR THE
19 PURPOSE OF CALCULATING THE AMOUNT OF ANY CREDIT ALLOWED FOR A
20 QUALIFYING CONTRIBUTION OF REAL PROPERTY, THE PRESUMPTIVE TOTAL
21 VALUE OF THE REAL PROPERTY CONTRIBUTED SHALL BE THE ACTUAL VALUE
22 OF THE REAL PROPERTY FOR THE PROPERTY TAX YEAR IN WHICH THE
23 TAXPAYER MADE THE CONTRIBUTION AS SET FORTH IN THE NOTICE OF
24 VALUATION ISSUED PURSUANT TO SECTION 39-5-121.

25 (3) A QUALIFIED NONPROFIT ORGANIZATION THAT RECEIVES A
26 CONTRIBUTION SHALL PROVIDE A RECEIPT TO THE CONTRIBUTOR. THE
27 RECEIPT SHALL INCLUDE THE NAME OF THE QUALIFIED NONPROFIT

1 ORGANIZATION, THE NAME OF THE TAXPAYER, THE AMOUNT OR VALUE OF
2 THE CONTRIBUTION, AND ANY ADDITIONAL INFORMATION THAT THE
3 EXECUTIVE DIRECTOR MAY REQUIRE BY RULE. ANY RULES PROMULGATED
4 BY THE EXECUTIVE DIRECTOR SHALL BE PROMULGATED IN ACCORDANCE
5 WITH THE PROVISIONS OR ARTICLE 4 OF TITLE 24, C.R.S.

6 (4) IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THE
7 PROVISIONS OF THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES
8 OTHERWISE DUE ON THE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR
9 WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT
10 USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR
11 MAY BE CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT
12 YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED FIVE YEARS
13 AND SHALL BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS
14 POSSIBLE. ANY CREDIT REMAINING AFTER SAID PERIOD SHALL NOT BE
15 REFUNDED OR CREDITED TO THE TAXPAYER.

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