

HB1093_L.001

HOUSE COMMITTEE OF REFERENCE REPORT

 Chairman of Committee

 Date
Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB09-1093 be amended as follows:

1 Amend printed bill, page 2, after line 22, insert the following:

2 "SECTION 2. 39-22-501, Colorado Revised Statutes, is amended
3 to read:

4 **39-22-501. Taxation of regulated investment companies.**
5 (1) (a) FOR PURPOSES OF THIS ARTICLE, A "REGULATED INVESTMENT
6 COMPANY" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 851
7 OF THE INTERNAL REVENUE CODE.

8 ~~(b) In the case of a corporation which qualifies as a "regulated~~
9 ~~investment company" under the provisions of the internal revenue code;~~
10 For purposes of this article, the "net income" of such corporation A
11 REGULATED INVESTMENT COMPANY in each year in which such THE
12 corporation is taxed as a regulated investment company for federal
13 income tax purposes shall be the "investment company taxable income"
14 of such corporation, adjusted as provided in section 39-22-304 (2) and
15 (3).

16 (2) FOR PURPOSES OF THIS ARTICLE, A "CAPTIVE REGULATED
17 INVESTMENT COMPANY" MEANS A REGULATED INVESTMENT COMPANY OF
18 WHICH THE SHARES OR BENEFICIAL INTERESTS ARE NOT REGULARLY
19 TRADED ON AN ESTABLISHED SECURITIES MARKET AND OF WHICH MORE
20 THAN FIFTY PERCENT OF THE VOTING POWER OR VALUE OF THE BENEFICIAL
21 INTERESTS OR SHARES ARE OWNED OR CONTROLLED, DIRECTLY,
22 INDIRECTLY, OR CONSTRUCTIVELY, BY A SINGLE ENTITY THAT IS:



1 (a) TREATED AS AN ASSOCIATION TAXABLE AS A CORPORATION
2 UNDER THE INTERNAL REVENUE CODE; AND

3 (b) NOT EXEMPT FROM FEDERAL INCOME TAX PURSUANT TO THE
4 PROVISIONS OF SECTION 501 (a) OF THE INTERNAL REVENUE CODE."

5 Renumber succeeding sections accordingly.

6 Page 3, line 26, strike "A" and substitute "SUCH".

7 Page 6, line 18, strike "REPORTABLE";

8 line 25, strike "INVOLVING" and substitute "BETWEEN";

9 line 26, strike "39-22-503 (2);" and substitute "39-22-503 (2) AND ITS
10 MORE THAN FIFTY PERCENT BENEFICIAL OWNER AS DESCRIBED IN SECTION
11 39-22-503 (2) (a);";

12 strike line 27.

13 Page 7, strike line 1 and substitute the following:

14 "(c) A TRANSACTION BETWEEN A CAPTIVE REGULATED
15 INVESTMENT COMPANY AS DEFINED IN SECTION 39-22-501 (2) AND ITS
16 MORE THAN FIFTY PERCENT BENEFICIAL OWNER AS DESCRIBED IN SECTION
17 39-22-501 (2).";

18 line 6, strike "(6)." and substitute "(6) BUT SHALL NOT INCLUDE ANY
19 TRANSACTIONS SPECIFICALLY EXCLUDED BY THE INTERNAL REVENUE
20 SERVICE.";

21 line 7, after "reportable", insert "or listed";

22 line 10, after "REPORTABLE", insert "OR LISTED";

23 line 12, after "REPORTABLE", insert "OR LISTED";

24 line 13, strike "STATEMENT." and substitute "STATEMENT AS SPECIFIED IN
25 SUBSECTION (5) OF THIS SECTION.";

26 strike lines 14 through 21.



- 1 Renumber succeeding subsections accordingly.
- 2 Page 7, line 22, after "IN", insert "OR HAS PARTICIPATED IN", and, after
3 "REPORTABLE", insert "OR LISTED";
- 4 line 26, strike "REQUIRED IN SUBSECTION (2)" and substitute "SPECIFIED
5 IN SUBSECTION (5)";
- 6 line 27, after "REPORTABLE", insert "OR LISTED".

7 Page 8, strike lines 1 through 8 and substitute the following:

8 "(4) (a) ANY STATEMENT THAT IS REQUIRED TO BE FILED OR
9 DISCLOSURE REQUIRED TO BE MADE BY THIS SECTION WITH RESPECT TO
10 ANY TAX YEAR FOR WHICH THE RETURN HAS ALREADY BEEN FILED BY A
11 DATE SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION AND THAT
12 IS FILED OR MADE PRIOR TO OR TOGETHER WITH THE TAXPAYER'S NEXT
13 FILED RETURN SHALL BE CONSIDERED TIMELY FILED OR MADE.

14 (b) ANY STATEMENT THAT IS REQUIRED TO BE FILED OR
15 DISCLOSURE REQUIRED TO BE MADE BY THIS SECTION WITH RESPECT TO
16 ANY TAX YEAR THE RETURN FOR WHICH HAS NOT BEEN FILED BY A DATE
17 SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION AND THAT IS
18 FILED OR MADE ON OR BEFORE JULY 1, 2010, SHALL BE CONSIDERED
19 TIMELY FILED OR MADE.

20 (c) THE STATUTE OF LIMITATIONS WITH RESPECT TO ANY RETURN
21 FOR WHICH A STATEMENT IS REQUIRED TO BE FILED OR DISCLOSURE
22 REQUIRED TO BE MADE BY THIS SECTION SHALL BE TOLLED FROM THE
23 EFFECTIVE DATE OF THIS SECTION UNTIL SUCH STATEMENT OR DISCLOSURE
24 IS FILED OR MADE, BUT IN NO EVENT SHALL THE STATUTE OF LIMITATIONS
25 BE TOLLED FOR MORE THAN TWENTY-FOUR MONTHS.

26 (5)(a) WITH RESPECT TO ANY REPORTABLE TRANSACTION OR WITH
27 RESPECT TO ANY LISTED TRANSACTION AS SPECIFIED IN SECTION 39-22-652
28 (5) (a), THE TAXPAYER SHALL, AT THE TAXPAYER'S DISCRETION, FILE WITH
29 THE TAXPAYER'S NEXT FILED RETURN A COPY OF THE FEDERAL DISCLOSURE
30 FORM OR A FORM SPECIFIED BY THE DEPARTMENT.

31 (b) WITH RESPECT TO ANY LISTED TRANSACTION NOT SPECIFIED IN
32 SECTION 39-22-652 (5) (a), THE DEPARTMENT MAY SPECIFY THE FORM AND

1 MANNER OF ANY STATEMENT REQUIRED TO BE FILED OR DISCLOSURE
2 REQUIRED TO BE MADE, WHICH STATEMENT SHALL BE FILED WITH THE
3 TAXPAYER'S NEXT FILED RETURN.

4 **39-22-654. Additional listed transactions - report.** (1) THE
5 DEPARTMENT SHALL SUBMIT A REPORT TO THE FINANCE COMMITTEES OF
6 THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR
7 COMMITTEES, BY JANUARY 31, 2010, AND ON OR BEFORE EVERY JANUARY
8 31 THEREAFTER, ITS RECOMMENDATION FOR THE INCLUSION OF ANY
9 ADDITIONAL LISTED TRANSACTIONS FOR PURPOSES OF THIS SUBPART 2.

10 (2) THE DEPARTMENT SHALL CONSULT WITH ANY INTERESTED
11 PARTIES PRIOR TO THE SUBMISSION OF THE REPORT AS SPECIFIED IN
12 SUBSECTION (1) OF THIS SECTION."

13 Renumber succeeding C.R.S. sections accordingly.

14 Page 8, line 9, after "**reportable**", insert "**or listed**";

15 line 22, after "REPORTABLE", insert "OR LISTED";

16 line 25, after "**reportable**", insert "**or listed**";

17 line 26, strike "DISCLOSE A" and substitute "DISCLOSE ANY";

18 line 27, after "REPORTABLE", insert "OR LISTED".

19 Page 9, line 1, strike "DEPARTMENT." and substitute "DEPARTMENT
20 WITHIN SIX MONTHS OF EACH TRANSACTION.";

21 line 4, after "REPORTABLE", insert "OR LISTED";

22 line 14, after "REPORTABLE", insert "OR LISTED";

23 line 18, after "REPORTABLE", insert "OR LISTED".

24 Page 10, line 18, after "REPORTABLE", insert "OR LISTED";

25 line 19, strike "39-22-655 (1) (a)" and substitute "39-22-656 (1) (a)";

26 line 22, after "REPORTABLE", insert "OR LISTED", and strike "39-22-655



- 1 (1)" and substitute "39-22-656 (1)";
- 2 line 24, strike "THE PENALTY SHALL BE" and substitute "THEN AN
- 3 ADDITIONAL PENALTY SHALL BE IMPOSED OF";
- 4 line 26, strike "39-22-656 (1)" and substitute "39-22-657 (1)".

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