

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chair of Committee

February 26, 2024  
Date

Committee on Finance.

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

HB24-1134 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 4, line 27, strike "FIFTY" and substitute  
2 "SEVENTY".

3 Page 15, line 14, strike "(9);" and substitute "(10)(b)(II) and (10)(b)(III);".

4 Page 15, line 17, strike "(9) (a) (I) FOR".

5 Page 15, strike lines 18 through 27.

6 Page 16, strike lines 1 and 2 and substitute:

7           "(10) As used in this subsection (10), "foreign source income"  
8 means taxable income from sources without the United States, as used in  
9 section 862 of the internal revenue code. In apportioning and allocating  
10 income pursuant to section 39-22-303.5, 39-22-303.6, or 39-22-303.7,  
11 foreign source income shall be considered only to the extent provided in  
12 this subsection (10):

13           (b) (II) For income tax years commencing prior to January 1,  
14 2000, the amount to be excluded ~~shall be~~ IS determined by multiplying the  
15 foreign source income by a fraction, the numerator of which is the total  
16 of taxes paid or accrued to foreign countries and United States  
17 possessions by or on behalf of the C corporation pursuant to section 901  
18 ~~or 902~~ of the internal revenue code, deemed paid pursuant to section ~~902~~  
19 ~~or 960~~ of the internal revenue code for the tax year, or carried over or  
20 carried back to such tax year pursuant to section 904 (c) of the internal  
21 revenue code. The denominator of said fraction shall be forty-six percent  
22 of the foreign source income.

23           (III) For income tax years commencing on or after January 1,

1 2000, the amount to be excluded shall be IS determined by multiplying the  
2 foreign source income by a fraction, the numerator of which is the total  
3 of taxes paid or accrued to foreign countries and United States  
4 possessions by or on behalf of the C corporation pursuant to section 901  
5 or 902 of the internal revenue code, deemed paid pursuant to section 902  
6 or 960 of the internal revenue code for the tax year, or carried over or  
7 carried back to such tax year pursuant to section 904 (c) of the internal  
8 revenue code. The denominator of said fraction shall be the same  
9 percentage as the effective federal corporate income tax rate multiplied  
10 by the foreign source income. As used in this subsection (10), "effective  
11 federal corporate income tax rate" means the taxpayer's federal corporate  
12 income tax calculated in accordance with section 11 (a) and (b) of the  
13 internal revenue code for such tax year divided by the taxpayer's federal  
14 taxable income."

15 Page 16, line 5, strike "2030." and substitute "2031."

16 Page 16, lines 20 and 21, strike "THIS HOUSE BILL 24-\_\_\_," and substitute  
17 "HOUSE BILL 24-1134,".

18 Page 17, line 12, strike "(9)(b)" and substitute "(9)".

19 Strike "2025:" and substitute "2026:" on: **Page 16**, lines 3 and 26.

\*\* \*\*\* \*\* \*\*\* \*\*