A BILL FOR AN ACT

CONCERNING THE ENTERPRISE ZONE INVESTMENT TAX CREDIT FOR RENEWABLE ENERGY INVESTMENTS, AND, IN CONNECTION THEREWITH, EXTENDING THE TAX YEARS THAT A TAXPAYER MAY ELECT TO RECEIVE A REFUND OF EIGHTY PERCENT OF THE AMOUNT OF SUCH CREDIT AND INCLUDING INVESTMENTS IN ENERGY STORAGE SYSTEMS AS QUALIFIED RENEWABLE ENERGY INVESTMENTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)
The bill extends the tax years that a taxpayer may elect to receive a refund of 80% of the amount of an enterprise zone investment tax credit for renewable energy investments. Under current law, if a taxpayer elects such a refund, the taxpayer forgoes the remaining 20% of the amount of the enterprise zone investment tax credit.

The bill also adds investments in energy storage systems as a qualified renewable energy investment.

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

SECTION 1. In Colorado Revised Statutes, 39-30-104, **amend** (2.6)(a) introductory portion and (2.8); and **add** (2.6)(g) as follows:

39-30-104. Credit against tax - investment in certain property - legislative declaration - definitions. (2.6) (a) Except as provided in section 24-46-104.3 and subsection (2.6)(b) of this section and notwithstanding any other provision in this section, in each income tax year commencing on or after January 1, 2015, but before January 1, 2021, January 1, 2024, a taxpayer who places a new renewable energy investment in service on or after January 1, 2015, but before January 1, 2024, that results in a credit pursuant to subsection (1) of this section may elect to receive a refund of eighty percent of the amount of such credit as specified in this subsection (2.6)(a) and forego the remaining twenty percent as a cost of such election. If eighty percent of the amount of the credit in subsection (1) of this section is:

(g) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE GOAL OF THE TAX EXPENDITURE IN THIS SUBSECTION (2.6) IS TO CONTINUE TO GROW COLORADO'S ECONOMY BY EXPANDING RENEWABLE ENERGY GENERATION THROUGHOUT THE STATE AND INCENTIVIZING CERTAIN INVESTMENTS IN RENEWABLE ENERGY GENERATION AND STORAGE THROUGH A REFUND MECHANISM FOR THE EXISTING ENTERPRISE ZONE INVESTMENT TAX CREDIT. THIS TAX EXPENDITURE WILL ASSIST IN
DIVERSIFYING COLORADO'S ENERGY GENERATION, SUPPORT ELECTRICITY, SUPPLY RELIABILITY, AND RESILIENCY, ENCOURAGE BUSINESSES OF ALL SIZES AND ACROSS MULTIPLE SECTORS IN THEIR EFFORTS TO EXPAND RENEWABLE ENERGY IN THE STATE OR INVEST IN THEIR OWN ENERGY GENERATION AND STORAGE, AND ULTIMATELY PROMOTE ECONOMIC DEVELOPMENT THROUGH INVESTMENT IN LONG-LASTING CAPITAL INTENSIVE ASSETS AND JOB CREATION IN AREAS ACROSS THE STATE.

(2.8) For purposes of this section, "renewable energy investment" means an investment that qualifies for the credit specified in paragraph (a) of subsection (1) SUBSECTION (1)(a) of this section for projects that:

(a) Generate electricity from eligible energy resources as defined in section 40-2-124 (1); C.R.S. AND

(b) INVEST IN ENERGY STORAGE SYSTEMS AS DEFINED IN SECTION 40-2-202 (2).

SECTION 2. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to taxpayers who place a new renewable energy investment in service on or after January 1, 2021.