

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 20-1087.01 Esther van Mourik x4215

HOUSE BILL 20-1354

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HOUSE SPONSORSHIP

Herod and Esgar,

SENATE SPONSORSHIP

Todd,

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House Committees

Business Affairs & Labor  
Finance  
Appropriations

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING INCOME TAX CREDITS FOR FILM PRODUCTION ACTIVITIES  
102 IN THE STATE.

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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 creates the film, television, and media tax credit. The credit is available to a production company employing a workforce of at least 50% Colorado residents for production activities in the state. For production activities in a prioritized area, defined to mean a nonmetropolitan county or municipality with a population of 150,000 or less, the credit is up to 22% of the total qualified local expenditures. For

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

production activities not in a prioritized area, the credit is up to 18% of the qualified local expenditures. The credit must be authorized and issued by the Colorado office of film, television, and media. Once issued, the credits may be used in the year issued or carried forward by the production company for up to 5 income tax years. The credits may also be transferred to another taxpayer to be used or carried forward as a credit against that taxpayer's income tax liability. The office of economic development is required to establish a system to track and verify the issuance, transfer, and ownership of the credits.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-48.5-116, **amend**  
3 (3) as follows:

4 **24-48.5-116. Film, television, and media - performance-based**  
5 **incentive for film production in Colorado - Colorado office of film,**  
6 **television, and media operational account cash fund - creation -**  
7 **report - definition.** (3) The office shall include data regarding the  
8 number of production companies that claimed the performance-based  
9 incentive pursuant to this section and the total amount of all incentives  
10 claimed during the most recent fiscal year for which such information is  
11 available in an annual report to the general assembly. THE OFFICE SHALL  
12 ALSO INCLUDE THE INFORMATION REQUIRED BY SECTION 39-22-543  
13 CONCERNING THE FILM, TELEVISION, AND MEDIA TAX CREDIT IN THE  
14 REPORT. NOTWITHSTANDING SECTION 24-1-136 (11), THE REQUIREMENT  
15 TO SUBMIT THIS REPORT CONTINUES INDEFINITELY.

16 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-543 as  
17 follows:

18 **39-22-543. Transferable tax credits for film, television, and**  
19 **media production in Colorado - legislative declaration -**  
20 **definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND

1       DECLARES THAT:

2           (I) AFTER YEARS OF LOW INCENTIVE FUNDING, COLORADO'S FILM  
3       INDUSTRY IS IN DECLINE WHILE THE GLOBAL DEMAND FOR FILM,  
4       TELEVISION, AND MEDIA HAS NEVER BEEN GREATER. COLORADO'S FILM,  
5       TELEVISION, AND MEDIA BUSINESSES ARE CLOSING OR STAGNATING.  
6       BUSINESS OWNERS ARE MOVING TO OTHER STATES AND TAKING JOBS,  
7       INFRASTRUCTURE, AND TAX DOLLARS WITH THEM.

8           (II) AS A RESULT, THE STATE IS UNABLE TO PROVIDE CAREER  
9       OPPORTUNITIES FOR ITS FILM AND MEDIA STUDENTS, WHO ARE  
10      INCREASINGLY MOVING TO OTHER STATES AFTER GRADUATING, EVEN  
11      THOUGH MANY WOULD PREFER TO STAY. WITH THE COLLEGE  
12      OPPORTUNITY FUND HELPING TO SUBSIDIZE THE TUITION OF IN-STATE  
13      STUDENTS, COLORADO TAXPAYERS ARE SUBSIDIZING FILM AND MEDIA  
14      EDUCATIONS THAT INCREASINGLY BENEFIT OTHER STATES.

15          (III) COLORADO'S RURAL COMMUNITIES ARE ALSO LOSING  
16      INVESTMENT. PRODUCTION COMPANIES ARE TAKING THEIR PRODUCTIONS  
17      TO NEIGHBORING STATES THAT PROVIDE GREATER INCENTIVES, SO  
18      COLORADO'S RURAL AREAS AND SMALLER TOWNS ARE NO LONGER  
19      RECEIVING THE BENEFITS THAT COME FROM LOCAL SHOOTS, SUCH AS  
20      SPENDING AT LOCAL BUSINESSES AND INCREASED LOCAL SALES TAX.

21          (IV) OFFERING A TRANSFERABLE TAX CREDIT TO PRODUCTION  
22      COMPANIES THAT PRODUCE FILM, TELEVISION, AND MEDIA IN COLORADO  
23      CAN ENCOURAGE AND EMPOWER THOSE PRODUCTION COMPANIES TO DO  
24      BUSINESS IN COLORADO. IT CAN GROW COLORADO'S TAX BASE, PROVIDE  
25      CAREER OPPORTUNITIES FOR COLORADO'S STUDENTS, AND BRING  
26      INVESTMENT BACK TO RURAL COLORADO.

27          (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT

1 THE INTENDED PURPOSE OF THE TAX CREDIT CREATED IN THIS SECTION IS  
2 TO INCENTIVIZE THE PRODUCTION OF FILM, TELEVISION, AND MEDIA IN  
3 COLORADO.

4 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
5 REQUIRES:

6 (a) "CERTIFIED PUBLIC ACCOUNTANT" MEANS A CERTIFIED PUBLIC  
7 ACCOUNTANT LICENSED TO PRACTICE IN THE STATE OR A CERTIFIED PUBLIC  
8 ACCOUNTING FIRM THAT IS REGISTERED IN THE STATE.

9 (b) "COMPLETE" OR "COMPLETION" MEANS THE DATE THAT A  
10 PROJECT'S PRODUCTION ACTIVITIES HAVE CONCLUDED IN THE STATE.

11 (c) "CONDITIONAL APPROVAL" MEANS THE WRITTEN CONDITIONAL  
12 APPROVAL DESCRIBED IN SUBSECTION (4)(b) OF THIS SECTION.

13 (d) "OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE COLORADO  
14 OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

15 (e) "OFFICE OF FILM, TELEVISION, AND MEDIA" OR "OFFICE" MEANS  
16 THE COLORADO OFFICE OF FILM, TELEVISION, AND MEDIA CREATED IN  
17 SECTION 24-48.5-115.

18 (f) "PRIORITIZED AREA" MEANS A MUNICIPALITY OR COUNTY WITH  
19 A POPULATION OF LESS THAN ONE HUNDRED FIFTY THOUSAND PEOPLE  
20 ACCORDING TO THE MOST RECENTLY AVAILABLE POPULATION STATISTICS  
21 OF THE UNITED STATES BUREAU OF THE CENSUS THAT IS NOT PART OF THE  
22 DENVER-AURORA-BOULDER COMBINED STATISTICAL AREA OR THE  
23 COLORADO SPRINGS METROPOLITAN STATISTICAL AREA DESIGNATED BY  
24 THE UNITED STATES OFFICE OF MANAGEMENT AND BUDGET.

25 (g) "PRODUCTION ACTIVITIES" HAS THE SAME MEANING AS SET  
26 FORTH IN SECTION 24-48.5-114 (5).

27 (h) "PRODUCTION COMPANY" HAS THE SAME MEANING AS SET

1 FORTH IN SECTION 24-48.5-114 (6).

2 (i) "PROJECT" MEANS A PROJECT BY A PRODUCTION COMPANY  
3 THAT EMPLOYS A WORKFORCE FOR ANY IN-STATE PRODUCTION ACTIVITIES  
4 MADE UP OF AT LEAST FIFTY PERCENT COLORADO RESIDENTS.

5 (j) "QUALIFIED LOCAL EXPENDITURES" HAS THE SAME MEANING AS  
6 SET FORTH IN SECTION 24-48.5-114 (7).

7 (k) "TAXPAYER" MEANS AN INDIVIDUAL, A DOMESTIC OR FOREIGN  
8 CORPORATION SUBJECT TO THE PROVISIONS OF PART 3 OF THIS ARTICLE 22,  
9 A PARTNERSHIP, S CORPORATION, OR OTHER SIMILAR PASS-THROUGH  
10 ENTITY, ESTATE, OR TRUST, OR A PARTNER, MEMBER, OR SUBCHAPTER S  
11 SHAREHOLDER OF A PASS-THROUGH ENTITY.

12 (l) "TRANSFeree" MEANS A TAXPAYER WHO PURCHASES A TAX  
13 CREDIT AS ALLOWED IN SUBSECTION (9) OF THIS SECTION.

14 (3) SUBJECT TO THE PROVISIONS OF THIS SECTION AND EXCEPT AS  
15 PROVIDED IN SUBSECTION (6) OF THIS SECTION, FOR INCOME TAX YEARS  
16 COMMENCING JANUARY 1, 2021, BUT BEFORE JANUARY 1, 2026, A  
17 PRODUCTION COMPANY IS ENTITLED TO CLAIM A CREDIT AGAINST THE TAX  
18 IMPOSED BY THIS ARTICLE 22 AS FOLLOWS:

19 (a) FOR A PROJECT OCCURRING IN A PRIORITIZED AREA, AN  
20 AMOUNT UP TO TWENTY-TWO PERCENT OF THE TOTAL AMOUNT OF THE  
21 PRODUCTION COMPANY'S QUALIFIED LOCAL EXPENDITURES INCURRED IN  
22 THE PRIORITIZED AREA DURING THE PROJECT IS ALLOWED IN THE TAX YEAR  
23 THAT THE PROJECT IS COMPLETE; AND

24 (b) FOR A PROJECT NOT OCCURRING IN A PRIORITIZED AREA, AN  
25 AMOUNT UP TO EIGHTEEN PERCENT OF THE TOTAL AMOUNT OF THE  
26 PRODUCTION COMPANY'S QUALIFIED LOCAL EXPENDITURES INCURRED  
27 DURING THE PROJECT IS ALLOWED IN THE TAX YEAR THAT THE PROJECT IS

1 COMPLETE.

2 (4) (a) TO BE ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION, A  
3 PRODUCTION COMPANY SHALL APPLY TO THE OFFICE, IN A MANNER TO BE  
4 DETERMINED BY THE OFFICE, PRIOR TO BEGINNING THE PROJECT IN THE  
5 STATE FOR WHICH THE PRODUCTION COMPANY IS SEEKING THE TAX  
6 CREDITS. THE APPLICATION MUST INCLUDE A STATEMENT OF INTENT BY  
7 THE PRODUCTION COMPANY TO COMMENCE A PROJECT IN THE STATE FOR  
8 WHICH THE PRODUCTION COMPANY WILL BE ELIGIBLE TO RECEIVE THE TAX  
9 CREDIT. THE PRODUCTION COMPANY SHALL SUBMIT, IN CONJUNCTION  
10 WITH THE APPLICATION, ANY DOCUMENTATION NECESSARY TO  
11 DEMONSTRATE WHERE THE PROJECT WILL TAKE PLACE, WHETHER IN A  
12 PRIORITIZED AREA, NOT IN A PRIORITIZED AREA, OR BOTH.

13 (b) (I) THE OFFICE SHALL REVIEW EACH APPLICATION SUBMITTED  
14 BY A PRODUCTION COMPANY BEFORE THE PRODUCTION COMPANY BEGINS  
15 A PROJECT IN THE STATE. BASED ON THE INFORMATION PROVIDED IN THE  
16 PRODUCTION COMPANY'S APPLICATION, THE OFFICE SHALL MAKE AN  
17 INITIAL DETERMINATION OF WHETHER THE PRODUCTION COMPANY WILL BE  
18 ELIGIBLE TO CLAIM A TAX CREDIT AND SHALL MAKE AN INITIAL ESTIMATE  
19 OF THE AMOUNT OF THE TAX CREDIT. THE OFFICE, WITH APPROVAL OF THE  
20 COLORADO ECONOMIC DEVELOPMENT COMMISSION CREATED IN SECTION  
21 24-46-102, SHALL GRANT CONDITIONAL APPROVAL IN WRITING TO A  
22 PRODUCTION COMPANY THAT, BASED ON THE INFORMATION PROVIDED BY  
23 THE PRODUCTION COMPANY AND BASED ON AN ANALYSIS OF SUCH  
24 INFORMATION BY THE OFFICE AND THE COLORADO ECONOMIC  
25 DEVELOPMENT COMMISSION, SATISFIES THE REQUIREMENTS OF THIS  
26 SECTION FOR ELIGIBILITY TO CLAIM SUCH TAX CREDIT. WHEN GRANTING  
27 CONDITIONAL APPROVALS, THE OFFICE SHALL TAKE INTO ACCOUNT THE

1 CAP ON TAX CREDIT CERTIFICATES THAT MAY BE ISSUED IN ONE INCOME  
2 TAX YEAR PURSUANT TO SUBSECTION (6) OF THIS SECTION. THE  
3 CONDITIONAL APPROVAL MUST INCLUDE THE MAXIMUM AMOUNT OF THE  
4 TAX CREDIT THAT A PRODUCTION COMPANY MAY CLAIM FOR THE PROJECT  
5 AND THE OFFICE MAY REDUCE THE MAXIMUM AMOUNT OF THE TAX CREDIT  
6 IN THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (5)(b)(I) OF  
7 THIS SECTION SUBJECT TO THE WRITTEN AGREEMENT BETWEEN THE  
8 PRODUCTION COMPANY AND THE OFFICE. A PRODUCTION COMPANY SHALL  
9 NOT CLAIM A TAX CREDIT UNDER THIS SECTION WITHOUT A TAX CREDIT  
10 CERTIFICATE ISSUED BY THE OFFICE AS PROVIDED IN SUBSECTION (5) OF  
11 THIS SECTION.

12 (II) A PRODUCTION COMPANY SHALL COMPLETE THE PROJECT NO  
13 LATER THAN TWO YEARS AFTER THE ISSUANCE OF THE CONDITIONAL  
14 APPROVAL. THE OFFICE SHALL WORK WITH THE PRODUCTION COMPANY TO  
15 DETERMINE AN APPROPRIATE PROJECT COMPLETION DATE WITHIN THE  
16 TWO-YEAR PERIOD AFTER GRANTING CONDITIONAL APPROVAL. IF THE  
17 PRODUCTION COMPANY HAS NOT ACHIEVED PROJECT COMPLETION BY THE  
18 AGREED-UPON DATE, THE OFFICE MAY REVOKE THE CONDITIONAL  
19 APPROVAL AND INSTEAD GRANT CONDITIONAL APPROVAL FOR OTHER  
20 PROJECTS.

21 (5) (a) UPON COMPLETION OF PRODUCTION ACTIVITIES IN THE  
22 STATE, A PRODUCTION COMPANY THAT RECEIVED CONDITIONAL WRITTEN  
23 APPROVAL FROM THE OFFICE TO CLAIM A TAX CREDIT FOR A PROJECT  
24 SHALL RETAIN A CERTIFIED PUBLIC ACCOUNTANT TO REVIEW AND REPORT  
25 IN WRITING, AND IN ACCORDANCE WITH PROFESSIONAL STANDARDS,  
26 REGARDING THE ACCURACY OF THE FINANCIAL DOCUMENTS THAT DETAIL  
27 THE AMOUNT AND LOCATION OF THE EXPENSES INCURRED IN THE COURSE

1 OF THE PROJECT IN THE STATE. THE CERTIFIED PUBLIC ACCOUNTANT'S  
2 WRITTEN REPORT SHALL INCLUDE DOCUMENTATION OF THE PRODUCTION  
3 COMPANY'S ACTUAL EXPENDITURES, INCLUDING ITS ACTUAL QUALIFIED  
4 LOCAL EXPENDITURES, AND ANY DOCUMENTATION NECESSARY TO SHOW  
5 THAT THE PRODUCTION COMPANY EMPLOYED A WORKFORCE FOR THE  
6 IN-STATE PRODUCTION ACTIVITIES MADE UP OF AT LEAST FIFTY PERCENT  
7 COLORADO RESIDENTS.

8 (b)(I) WHEN THE PRODUCTION COMPANY PROVIDES A COPY OF THE  
9 CERTIFIED PUBLIC ACCOUNTANT'S WRITTEN REPORT AND THE PRODUCTION  
10 COMPANY CERTIFIES IN WRITING TO THE OFFICE THE AMOUNT AND  
11 LOCATION OF THE PRODUCTION COMPANY'S ACTUAL QUALIFIED LOCAL  
12 EXPENDITURES, THE OFFICE SHALL CONDUCT A REVIEW OF THE CERTIFIED  
13 PUBLIC ACCOUNTANT'S WRITTEN REPORT TO ENSURE THE REQUIREMENTS  
14 OF THIS SECTION ARE MET. IF THE OFFICE IS SATISFIED THAT THE  
15 REQUIREMENTS OF THIS SECTION ARE MET, AND THE OFFICE CONFIRMS  
16 THAT THE CERTIFIED PUBLIC ACCOUNTANT WHO PROVIDED THE WRITTEN  
17 REPORT IS FROM THE LIST DESCRIBED IN SUBSECTION (5)(b)(III) OF THIS  
18 SECTION, THEN THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE TO  
19 THE PRODUCTION COMPANY STATING THE AMOUNT OF THE TAX CREDIT  
20 THAT IS AUTHORIZED, SUBJECT TO THE MAXIMUM AMOUNT OF THE TAX  
21 CREDIT SET FORTH IN THE CONDITIONAL APPROVAL.

22 (II) ANY SERVICES OF A CERTIFIED PUBLIC ACCOUNTANT PROVIDED  
23 TO MEET THE REQUIREMENTS OF THIS SUBSECTION (5) MUST BE  
24 PERFORMED IN THE STATE.

25 (III) THE OFFICE SHALL DEVELOP A LIST OF CERTIFIED PUBLIC  
26 ACCOUNTANTS THAT MEET THE REQUIREMENTS OF THIS SECTION. THE  
27 OFFICE SHALL MAKE THE LIST AVAILABLE TO ALL PRODUCTION COMPANIES

1 AND SHALL ENSURE THE LIST IS POSTED ON THE OFFICE OF ECONOMIC  
2 DEVELOPMENT'S WEBSITE.

3 (c) THE OFFICE SHALL DEVELOP PROCEDURES FOR THE  
4 ADMINISTRATION OF THIS SECTION, INCLUDING APPLICATION GUIDELINES  
5 FOR PRODUCTION COMPANIES APPLYING TO RECEIVE, USE, CARRY  
6 FORWARD, AND TRANSFER TAX CREDITS PURSUANT TO THIS SECTION.

7 (d) (I) AFTER A TAX CREDIT CERTIFICATE IS ISSUED, THE  
8 PRODUCTION COMPANY MAY, AFTER COMPLYING WITH ANY  
9 REQUIREMENTS FOR NOTICE, VERIFICATION, OR APPROVAL SPECIFIED IN  
10 ACCORDANCE WITH THIS SECTION:

11 (A) USE THE TAX CREDIT AS AN OFFSET AGAINST THE PRODUCTION  
12 COMPANY'S INCOME TAX DUE UNDER THIS ARTICLE 22 IN THE INCOME TAX  
13 YEAR THAT THE TAX CREDIT IS ISSUED;

14 (B) CARRY FORWARD THE TAX CREDIT TO BE USED AGAINST THE  
15 PRODUCTION COMPANY'S INCOME TAX DUE UNDER THIS ARTICLE 22 FOR NO  
16 MORE THAN FIVE YEARS, USING THE CARRIED FORWARD TAX CREDIT IN THE  
17 EARLIEST INCOME TAX YEARS POSSIBLE; OR

18 (C) TRANSFER THE TAX CREDIT DURING THE CARRYFORWARD  
19 PERIOD DESCRIBED IN SUBSECTION (5)(d)(I)(B) OF THIS SECTION AS  
20 ALLOWED IN SUBSECTION (9) OF THIS SECTION.

21 (II) THE FIVE-YEAR CARRY-FORWARD PERIOD COMMENCES WHEN  
22 THE TAX CREDIT CERTIFICATE IS ISSUED IN ACCORDANCE WITH  
23 SUBSECTION (5)(b) OF THIS SECTION. AFTER FIVE YEARS, A TAX CREDIT OR  
24 PORTION OF A TAX CREDIT THAT REMAINS UNUSED OR UNTRANSFERRED BY  
25 THE PRODUCTION COMPANY MAY NOT BE CLAIMED, AND IS NOT  
26 REFUNDABLE.

27 (6) THE OFFICE SHALL NOT GRANT TAX CREDIT CERTIFICATES

1 TOTALING MORE THAN FIVE MILLION DOLLARS PER INCOME TAX YEAR.

2 (7) TO USE A TAX CREDIT ISSUED UNDER THIS SECTION, THE  
3 PRODUCTION COMPANY OR THE TRANSFEREE MUST ATTACH THE TAX  
4 CREDIT CERTIFICATE AS PART OF THE TAXPAYER'S TAX RETURN BY THE  
5 DUE DATE OF THE RETURN, INCLUDING EXTENSIONS, FOR THE TAX YEAR  
6 FOR WHICH THE PRODUCTION COMPANY OR TRANSFEREE IS ELIGIBLE TO  
7 USE THE CREDIT IN ACCORDANCE WITH THIS SECTION.

8 (8) THE OFFICE SHALL POST ON ITS WEBSITE ALL  
9 NONCONFIDENTIAL INFORMATION RELATED TO THE TREATMENT OF THE  
10 INCOME TAX CREDITS AS SPECIFIED IN THIS SECTION. THIS SECTION SHALL  
11 NOT BE CONSTRUED TO ABROGATE THE CONFIDENTIALITY PROVISIONS SET  
12 FORTH IN SECTION 39-21-113.

13 (9) (a) IF THE PRODUCTION COMPANY CHOOSES TO TRANSFER A  
14 TAX CREDIT, THEN THE TAX CREDIT IS FREELY TRANSFERABLE AND  
15 ASSIGNABLE TO ONE OR MORE TAXPAYERS, SUBJECT TO THE OFFICE OF  
16 ECONOMIC DEVELOPMENT'S APPROVAL AND SUBJECT TO ANY NOTICE AND  
17 VERIFICATION REQUIREMENTS TO BE DETERMINED BY THE OFFICE OF  
18 ECONOMIC DEVELOPMENT; EXCEPT THAT THE PRODUCTION COMPANY MAY  
19 ONLY TRANSFER THE PORTION OF THE TAX CREDIT THAT THE PRODUCTION  
20 COMPANY HAS NOT ALREADY APPLIED AGAINST THE PRODUCTION  
21 COMPANY'S OWN INCOME TAX, AND THE PRODUCTION COMPANY MAY NOT  
22 TRANSFER PORTIONS OF THE TAX CREDIT VALUED AT LESS THAN FIFTY  
23 THOUSAND DOLLARS.

24 (b) THE TRANSFEREE RECEIVING THE TAX CREDIT MAY USE ALL OR  
25 A PORTION OF THE TRANSFERRED INCOME TAX CREDIT AS AN OFFSET  
26 AGAINST THE TRANSFEREE'S INCOME TAX IMPOSED BY THIS ARTICLE 22.  
27 ANY UNUSED PORTION OF A TRANSFERRED INCOME TAX CREDIT MAY BE

1 CARRIED FORWARD AND USED AS A TAX CREDIT AGAINST THE  
2 TRANSFEREE'S SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR AN  
3 INTERVAL NOT TO EXCEED THREE ADDITIONAL INCOME TAX YEARS FROM  
4 THE DATE OF THE TRANSFEREE'S ACQUISITION AND SHALL BE APPLIED  
5 FIRST TO THE EARLIEST INCOME TAX YEAR AND THEN TO SUBSEQUENT  
6 INCOME TAX YEARS. AFTER THIS PERIOD, A TRANSFERRED TAX CREDIT OR  
7 PORTION OF A TRANSFERRED TAX CREDIT THAT REMAINS UNUSED UNDER  
8 THIS SUBSECTION (9) EXPIRES, MAY NOT BE CLAIMED, AND IS NOT  
9 REFUNDABLE. A TRANSFEREE SHALL NOT TRANSFER A CREDIT  
10 TRANSFERRED PURSUANT TO THIS SUBSECTION (9).

11 (c) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL ESTABLISH  
12 NOTICE AND VERIFICATION REQUIREMENTS FOR ALL TRANSFERRED TAX  
13 CREDITS.

14 (d) A PRODUCTION COMPANY AND TRANSFEREE SHALL JOINTLY  
15 FILE A COPY OF THE WRITTEN TRANSFER AGREEMENT WITH THE OFFICE OF  
16 ECONOMIC DEVELOPMENT WITHIN THIRTY DAYS AFTER THE TRANSFER.  
17 THE FILING OF THE WRITTEN TRANSFER AGREEMENT WITH THE OFFICE OF  
18 ECONOMIC DEVELOPMENT PERFECTS THE TRANSFER, SUBJECT TO  
19 APPROVAL OF THE TRANSFER BY THE OFFICE OF ECONOMIC DEVELOPMENT.

20 (e) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL DEVELOP A  
21 SYSTEM TO TRACK THE ISSUANCE AND TRANSFER OF TAX CREDITS AND TO  
22 CERTIFY THE OWNERSHIP OF THE TAX CREDITS ISSUED UNDER THIS  
23 SECTION. A CERTIFICATION BY THE OFFICE OF ECONOMIC DEVELOPMENT  
24 OF THE OWNERSHIP AND THE AMOUNT OF A TAX CREDIT MAY BE RELIED ON  
25 BY THE DEPARTMENT AND THE TRANSFEREE AS BEING ACCURATE TO THE  
26 EXTENT THE DATA SUPPLIED BY THE PRODUCTION COMPANY AND  
27 TRANSFEREE INVOLVED IN THE TRANSFER IS ACCURATE. NEITHER THE

1 OFFICE NOR THE OFFICE OF ECONOMIC DEVELOPMENT SHALL ADJUST THE  
2 AMOUNT OF TAX CREDITS AS TO THE TRANSFEREE. THE OFFICE, THE OFFICE  
3 OF ECONOMIC DEVELOPMENT, THE DEPARTMENT, AND ANY OTHER STATE  
4 AGENCY RETAIN ANY REMEDIES THEY MAY HAVE AGAINST BOTH THE  
5 PRODUCTION COMPANY AND THE TRANSFEREE AND ANY OTHER TAXPAYER  
6 THAT MISREPRESENTS THE VALUE OF THE TRANSFERABLE TAX CREDIT IN  
7 A TRANSFER. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL ESTABLISH  
8 POLICIES TO PERMIT VERIFICATION OF THE OWNERSHIP AND AMOUNT OF  
9 THE TAX CREDITS AND SHALL POST THOSE POLICIES ON THE WEBSITES OF  
10 THE OFFICE OF FILM, TELEVISION, AND MEDIA AND THE OFFICE OF  
11 ECONOMIC DEVELOPMENT; EXCEPT THAT THE POLICIES MUST NOT UNDULY  
12 RESTRICT OR HINDER THE TRANSFER OF THE TAX CREDITS AS ALLOWED IN  
13 THIS SECTION.

14 (f) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE AN  
15 ELECTRONIC REPORT TO THE DEPARTMENT SPECIFYING THE ISSUANCE,  
16 TRANSFER, AND OWNERSHIP OF TAX CREDITS AS ALLOWED IN THIS  
17 SECTION. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE  
18 ELECTRONIC REPORT ON A SCHEDULE TO BE DETERMINED BY THE  
19 DEPARTMENT AND THE OFFICE OF ECONOMIC DEVELOPMENT.

20 (10) IF A PRODUCTION COMPANY OR A TRANSFEREE IS A  
21 PARTNERSHIP, LIMITED LIABILITY COMPANY, S CORPORATION, OR SIMILAR  
22 PASS-THROUGH ENTITY, THE PRODUCTION COMPANY OR TRANSFEREE MAY  
23 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,  
24 OR OTHER CONSTITUENT TAXPAYERS IN ANY MANNER AGREED TO BY SUCH  
25 PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT  
26 TAXPAYERS. THE TAXPAYER SHALL CERTIFY TO THE OFFICE THE AMOUNT  
27 OF THE CREDIT ALLOCATED TO EACH PARTNER, SHAREHOLDER, MEMBER,

1 OR OTHER CONSTITUENT TAXPAYER, AND THE OFFICE SHALL ISSUE TAX  
2 CREDIT CERTIFICATES IN THE APPROPRIATE AMOUNTS TO EACH PARTNER,  
3 SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT TAXPAYER. EACH  
4 PARTNER, SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT TAXPAYER  
5 SHALL BE ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO ANY  
6 RESTRICTIONS SET FORTH IN THIS SECTION.

7 (11) THE OFFICE SHALL INCLUDE INFORMATION REGARDING  
8 TRANSFERS AUTHORIZED UNDER THIS SECTION, INCLUDING THE AMOUNTS  
9 TRANSFERRED, THE NAMES OF THE PRODUCTION COMPANIES  
10 TRANSFERRING THE INCOME TAX CREDITS, AND THE NAMES OF THE  
11 TRANSFEREES USING THE TRANSFERRED INCOME TAX CREDITS DURING THE  
12 MOST RECENT FISCAL YEAR FOR WHICH SUCH INFORMATION IS AVAILABLE  
13 IN THE ANNUAL REPORT REQUIRED BY SECTION 24-48.5-116 (3).

14 (12) NOTWITHSTANDING THE PROVISIONS OF SECTION 39-21-113:

15 (a) THE DEPARTMENT OF REVENUE MAY PROVIDE SUCH DETAILED  
16 TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN INCOME TAX  
17 CREDIT PURSUANT TO THIS SECTION TO TAXPAYERS, INCLUDING OWNERS  
18 AND TRANSFEREES, WITH CASES INVOLVING COMMON OR RELATED ISSUES  
19 OF FACT OR LAW. WITH THE EXCEPTION OF TAXPAYER CONTACT  
20 INFORMATION, ANY INFORMATION PROVIDED PURSUANT TO THIS  
21 SUBSECTION (12) MUST REMAIN CONFIDENTIAL, AND ALL PERSONS ARE  
22 SUBJECT TO THE LIMITATIONS SPECIFIED IN SECTION 39-21-113 (4) AND  
23 THE PENALTIES SPECIFIED IN SECTION 39-21-113 (6).

24 (b) THE DEPARTMENT OF REVENUE MAY REQUIRE THAT SUCH  
25 DETAILED TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN  
26 INCOME TAX CREDIT PURSUANT TO THIS SECTION AND ANY  
27 DOCUMENTATION IN SUPPORT OF THE CREDIT CLAIMED BE GIVEN TO THE

1 OFFICE OF FILM, TELEVISION, AND MEDIA AND THE OFFICE OF ECONOMIC  
2 DEVELOPMENT AS THE DEPARTMENT DETERMINES IS NECESSARY IN THE  
3 PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS RELATING TO THE  
4 CREDIT. IN RESOLVING DISPUTES REGARDING THE CREDIT, THE  
5 DEPARTMENT MAY DISCLOSE SUCH DETAILED TAXPAYER INFORMATION  
6 AND CONSULT WITH THE OFFICE OF FILM, TELEVISION, AND MEDIA AND THE  
7 OFFICE OF ECONOMIC DEVELOPMENT. NOTWITHSTANDING PART 2 OF  
8 ARTICLE 72 OF TITLE 24, IN ORDER TO PROTECT THE CONFIDENTIAL  
9 FINANCIAL INFORMATION OF A TAXPAYER, THE EXECUTIVE DIRECTOR  
10 SHALL DENY THE RIGHT TO INSPECT ANY INFORMATION OR  
11 DOCUMENTATION REQUIRED IN ACCORDANCE WITH THIS SUBSECTION (12).

12 **SECTION 3. Safety clause.** The general assembly hereby finds,  
13 determines, and declares that this act is necessary for the immediate  
14 preservation of the public peace, health, or safety.