

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

DRAFT  
10.10.19

BILL 14

LLS NO. 20-0237.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

**Tax Expenditure Evaluation Interim Study Committee**

**BILL TOPIC: "Crop & Livestock Contribution Tax Credit"**

**A BILL FOR AN ACT**

101 **CONCERNING THE REPEAL OF THE INCOME TAX CREDIT FOR**  
102 **CORPORATE CROP AND LIVESTOCK CONTRIBUTIONS.**

**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/>.)*

**Tax Expenditure Evaluation Interim Study Committee.** Under current law, the income tax credit for corporate crop and livestock contributions allows agricultural c-corporations to claim an income tax credit of 25% of the value of the charitable crop or livestock contributions they make in a tax year, up to a maximum of \$1,000. The bill eliminates the tax credit.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

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

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4           (a) The income tax credit for corporate crop and livestock  
5 contributions allows agricultural C corporations to claim an income tax  
6 credit of 25% of the value of the charitable crop or livestock contributions  
7 they make in a tax year, up to a maximum of \$1,000.

8           (b) Due to the limited use of the income tax credit for corporate  
9 crop and livestock contributions, too few taxpayers claimed the credit for  
10 the department of revenue to report the number of taxpayers who claimed  
11 the credit or the amount those taxpayers claimed without compromising  
12 the confidentiality of the taxpayers' information.

13           (c) The infrequent use of the income tax credit for corporate crop  
14 and livestock contributions means that the credit has not resulted in a  
15 measurable increase in food donations and thus the credit is not meeting  
16 its purpose of increasing food donations by agricultural C corporations.

17           (2) Therefore, it is the intent of the general assembly to simplify  
18 the collection and administration of taxes for the state of Colorado and to  
19 relieve taxpayers' confusion and administrative burdens by repealing tax  
20 expenditures that are rarely claimed and that are not meeting their  
21 purpose.

22           **SECTION 2.** In Colorado Revised Statutes, 39-22-301, **amend**  
23 (3)(b); and **add** (3)(e) as follows:

24           **39-22-301. Corporate tax imposed.** (3) (b) PRIOR TO JANUARY  
25 1, 2021, there shall be allowed to taxpayers, as a credit with respect to the  
26 income taxes imposed by this part 3, an amount equal to twenty-five

1 percent of the wholesale market price or twenty-five percent of the most  
2 recent sale price of crop contributions or livestock contributions, or both,  
3 made to a tax-exempt charitable organization. Credit, as provided for in  
4 this subsection (3), may not exceed one thousand dollars per tax year.

5 (e) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE DECEMBER 31,  
6 2024.

7 **SECTION 3. Act subject to petition - effective date.** This act  
8 takes effect at 12:01 a.m. on the day following the expiration of the  
9 ninety-day period after final adjournment of the general assembly (August  
10 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a  
11 referendum petition is filed pursuant to section 1 (3) of article V of the  
12 state constitution against this act or an item, section, or part of this act  
13 within such period, then the act, item, section, or part will not take effect  
14 unless approved by the people at the general election to be held in  
15 November 2020 and, in such case, will take effect on the date of the  
16 official declaration of the vote thereon by the governor.