CHAPTER 331

TAXATION

HOUSE BILL 15-1366

BY REPRESENTATIVE(S) Pabon and Willett, Fields, Hamner, Kraft-Tharp, Lontine, Melton, Mitsch Bush, Pettersen, Primavera, Priola, Rosenthal, Roupe, Ryden, Salazar, Vigil, Williams, Young, Hullinghorst;
also SENATOR(S) Balmer, Crowder, Heath, Hodge, Kerr, Merrifield, Todd.

AN ACT

CONCERNING THE EXPANSION OF THE COLORADO JOB GROWTH INCENTIVE TAX CREDIT TO ALLOW CREDITS FOR BUSINESSES THAT ENTER INTO A QUALIFIED PARTNERSHIP WITH A STATE INSTITUTION OF HIGHER EDUCATION, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 39-22-531, **amend** (3) (a) introductory portion, (3) (a) (I) (A), (3) (a) (III) (B), (3) (b) introductory portion, (3) (b) (II) introductory portion, and (3) (b) (IV) introductory portion; and **add** (1) (h.3), (1) (h.5), and (3) (a) (I) (C) as follows:

39-22-531. Colorado job growth incentive tax credit - rules - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(h.3) "QUALIFIED PARTNERSHIP" MEANS AN AGREEMENT BETWEEN THE TAXPAYER AND A STATE INSTITUTION OF HIGHER EDUCATION THAT ALIGNS WITH OR FURTHERS THE ACADEMIC MISSION OF THE STATE INSTITUTION OF HIGHER EDUCATION, RESULTS IN POSITIVE BENEFITS FOR THE COMMUNITY AND THE LOCAL ECONOMY, AND ALLOWS A TAXPAYER TO UTILIZE THE FOLLOWING FOR A PROJECT:

(I) THE TANGIBLE INTELLECTUAL PROPERTY OF THE STATE INSTITUTION OF HIGHER EDUCATION;

(II) THE BODY OF ACADEMIC KNOWLEDGE AND EXPERT SKILLS OF THE STATE INSTITUTION OF HIGHER EDUCATION; OR

(III) ANY SPECIALIZED EQUIPMENT OWNED OR DEVELOPED BY THE STATE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

INSTITUTION OF HIGHER EDUCATION.

(h.5) "STATE INSTITUTION OF HIGHER EDUCATION" MEANS A STATE INSTITUTION OF HIGHER EDUCATION AS DEFINED IN SECTION 23-18-102 (10), C.R.S., A JUNIOR COLLEGE, OR AN AREA VOCATIONAL SCHOOL.

(3) The commission may approve any job growth incentive tax credits allowed pursuant to subsection (2) of this section subject to the following:

(a) During a credit period a project ~~shall~~ MUST:

(I) (A) For income tax years commencing before January 1, 2014, except as provided in sub-subparagraph (B) of this subparagraph (I), bring a net job growth of at least twenty new jobs to the state with an average yearly wage of at least one hundred ten percent of the average yearly wage of the county in which the taxpayer is located and, for income tax years commencing on or after January 1, 2014, except as provided in ~~sub-subparagraph~~ SUB-SUBPARAGRAPHS (B) AND (C) of this subparagraph (I), bring a net job growth of at least twenty new jobs to the state with an average yearly wage of at least one hundred percent of the average yearly wage of the county in which the taxpayer is located.

(C) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2015, BUT PRIOR TO JANUARY 1, 2018, IF THE PROJECT IS A QUALIFIED PARTNERSHIP THE PROJECT MUST BRING A NET JOB GROWTH OF AT LEAST FIVE NEW JOBS TO THE STATE WITH AN AVERAGE YEARLY WAGE OF AT LEAST ONE HUNDRED PERCENT OF THE STATEWIDE AVERAGE YEARLY WAGE, BE LOCATED ON OR WITHIN ONE MILE OF THE CAMPUS OF OR ON OTHER PROPERTY OWNED BY THE STATE INSTITUTION OF HIGHER EDUCATION, AND INCLUDE A DESCRIPTION OF THE PROJECT'S ALIGNMENT WITH OR FURTHERANCE OF THE ACADEMIC MISSION OF THE STATE INSTITUTION OF HIGHER EDUCATION.

(III) (B) For income tax years commencing on or after January 1, 2014, be approved by the commission only if the credit allowed in this section is a major factor in the decision to locate or retain the project in Colorado; EXCEPT THAT, IF THE PROJECT IS A QUALIFIED PARTNERSHIP THEN THE LIMITATION IN THIS SUB-SUBPARAGRAPH (B) DOES NOT APPLY.

(b) A taxpayer shall submit a complete written application for a credit allowed in this section to the commission before the project commences in the state. The application ~~shall~~ MUST include:

(II) An identification of the cost differential in the projected costs of the project compared to the projected costs were the project commenced in a competing state; EXCEPT THAT, IF THE PROJECT IS A QUALIFIED PARTNERSHIP THEN THE IDENTIFICATION OF THE COST DIFFERENTIAL IS NOT REQUIRED. The cost differential shall include any impact of the competing state's incentive programs and may include:

(IV) For income tax years commencing on or after January 1, 2014, documentation to demonstrate that the credit allowed in this section is a major factor in the decision to locate the project in Colorado; EXCEPT THAT, IF THE PROJECT IS A

QUALIFIED PARTNERSHIP THEN SUCH DOCUMENTATION IS NOT REQUIRED. Such documentation shall include information that indicates that:

SECTION 2. Appropriation. (1) For the 2015-16 state fiscal year, $94,251 is appropriated to the office of the governor. This appropriation is from the general fund and is based on the assumption that the office will require an additional 1.0 FTE. To implement this act, the office may use this appropriation for global business development.

(2) For the 2015-16 state fiscal year, $36,000 is appropriated to the department of revenue for use by the taxation business group. This appropriation is from the general fund. To implement this act, the taxation business group may use this appropriation for CITA annual maintenance and support.

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

Approved: June 5, 2015