



**Colorado  
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Council  
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**MEMORANDUM**

September 30, 2016

**TO:** Interested Persons

**FROM:** Legislative Council Staff Economics Section, 303-866-3521

**SUBJECT:** Availability of Historic Property Preservation Income Tax Credit and Cleanroom Machinery Sales and Use Tax Exemption

Table 1 shows the availability of the historic property preservation income tax credit and the cleanroom machinery sales and use tax exemption, each of which is available only when the Legislative Council Staff forecast indicates that General Fund revenue will be sufficient to allow General Fund appropriations to increase by at least 6 percent. Revenue failed to meet this requirement in FY 2015-16. The September 2016 forecast expects that revenue will fail to meet this requirement in FY 2016-17, FY 2017-18, and 2018-19.

The *historic property preservation income tax credit* is available for tax year 2015. Based on the December 2015 forecast, it is not available for tax year 2016. Its availability for tax years 2017 and 2018 will depend on the December 2016 and December 2017 forecasts, respectively. For more information about the credit, please refer to the Department of Revenue's [FYI Income 1 publication](#).<sup>1</sup>

The *cleanroom machinery sales and use tax exemption* was available through June 30, 2016, but is not available from July 1, 2016 through June 30, 2017. Its availability between July 2017 and June 2018 will depend on the June 2017 forecast. For more information about the exemption, please refer to the Department of Revenue's [FYI Sales 73 publication](#).<sup>2</sup>

**Table 1  
Tax Policies Dependent on Sufficient General Fund Revenue to Allow General Fund  
Appropriations to Increase by at Least 6.0 Percent**

<b>Tax Benefit</b>	<b>Forecast that Determines Availability</b>	<b>Tax Benefit Availability</b>
Historic Property Preservation Income Tax Credit (Section 39-22-514, C.R.S.) <i>Revenue reduction of less than \$1.0 million per year</i>	December forecast immediately before the tax year when the credit becomes available.	Available in tax years 2013 through 2015. Not available in tax year 2016, and not expected to be available in tax year 2017 or 2018. Repealed tax year 2020.
Cleanroom Machinery Sales and Use Tax Exemption (Section 39-26-722, C.R.S.) <i>Revenue reduction of less than \$500,000 per year</i>	If the June forecast indicates sufficient revenue for the fiscal year that is about to end, the exemption will become available in July.	Not available July 2016 through June 2017. Not expected to be available July 2017 through June 2018. Repealed July 1, 2018.

<sup>1</sup><https://www.colorado.gov/pacific/sites/default/files/Income1.pdf>

<sup>2</sup><https://www.colorado.gov/pacific/sites/default/files/Sales73.pdf>