

HB22-1166 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1.** In Colorado Revised Statutes, **add** 23-31-318 as
4 follows:

5 **23-31-318. Timber, forest health, and wildfire mitigation**
6 **industries workforce development program - creation - rules -**
7 **legislative declaration - definitions.** (1) THE GENERAL ASSEMBLY FINDS,
8 DETERMINES, AND DECLARES THAT:

9 (a) FINDING QUALIFIED AND TRAINED EMPLOYEES IS A SIGNIFICANT
10 CHALLENGE FOR THE STATE'S TIMBER, FOREST HEALTH, AND WILDFIRE
11 MITIGATION INDUSTRIES, AND IT IS ESPECIALLY DIFFICULT TO PROVIDE
12 TRAINING AND EXPERIENCE TO YOUNGER WORKERS WHO ARE INTERESTED
13 IN BEGINNING CAREERS IN THE TIMBER, FOREST HEALTH, AND WILDFIRE
14 MITIGATION INDUSTRIES;

15 (b) THE BARRIERS TO ENTRY FOR YOUNGER WORKERS WHO ARE
16 INTERESTED IN BEGINNING A CAREER IN THE TIMBER, FOREST HEALTH, AND
17 WILDFIRE MITIGATION INDUSTRIES ARE SIGNIFICANT, INCLUDING ACCESS
18 TO TRAINING PROGRAMS THAT PROVIDE REAL-WORLD WORK EXPERIENCE;

19 (c) INTERNSHIPS ARE A RECOGNIZED WAY TO BUILD A TALENT
20 PIPELINE AND CAREER PATHWAY TO ALIGN EDUCATION, TRAINING, AND
21 WORK-BASED LEARNING; AND

22 (d) BY OFFERING INCENTIVES TO TIMBER BUSINESSES AND FOREST
23 HEALTH AND WILDFIRE MITIGATION ENTITIES TO CREATE INTERNSHIPS,
24 THERE WILL BE MORE OPPORTUNITIES FOR STUDENTS TO OBTAIN WORK
25 EXPERIENCE WITH TIMBER BUSINESSES OR WITH FOREST HEALTH OR
26 WILDFIRE MITIGATION ENTITIES.

27 (2) AS USED IN THIS SECTION:

28 (a) "FOREST HEALTH OR WILDFIRE MITIGATION ENTITY" MEANS A
29 FOR-PROFIT OR NOT-FOR-PROFIT ENTITY LOCATED OR OPERATING IN
30 COLORADO THAT CONCERNS ITSELF WITH FOREST HEALTH OR WILDFIRE
31 MITIGATION ACTIVITIES INCLUDING PRESCRIBED BURNING AS DEFINED IN
32 24-33.5-1217 OR OTHER SCIENCE-BASED FOREST MANAGEMENT
33 PRACTICES.

34 (b) "FOREST SERVICE" MEANS THE COLORADO STATE FOREST
35 SERVICE IDENTIFIED IN SECTION 23-31-302 AND THE DIVISION OF
36 FORESTRY CREATED IN SECTION 24-33-104.

37 (c) "INTERNSHIP PROGRAM" MEANS THE TIMBER, FOREST HEALTH,
38 AND WILDFIRE MITIGATION INDUSTRIES WORKFORCE DEVELOPMENT
39 PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

40 (d) "TIMBER BUSINESS" MEANS A FOR-PROFIT BUSINESS ENTITY

1 INCORPORATED OR LOCATED IN COLORADO THAT CONCERNS ITSELF WITH
2 FORESTRY, LOGGING, THE TIMBER TRADE, THE PRODUCTION OF WOOD
3 PRODUCTS SUCH AS FURNITURE, AND SECONDARY PRODUCTS SUCH AS
4 WOOD PULP FOR THE PULP AND PAPER INDUSTRY.

5 (3) THE TIMBER, FOREST HEALTH, AND WILDFIRE MITIGATION
6 INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM IS HEREBY CREATED IN
7 THE FOREST SERVICE TO PROVIDE INCENTIVES TO TIMBER BUSINESSES AND
8 FOREST HEALTH OR WILDFIRE MITIGATION ENTITIES TO HIRE INTERNS
9 THROUGH PARTIAL REIMBURSEMENT OF THE COSTS TO SUCH BUSINESSES
10 AND ENTITIES OF HIRING INTERNS. NOT LATER THAN JANUARY 1, 2023,
11 THE FOREST SERVICE SHALL PROMULGATE POLICIES, PROCEDURES, AND
12 GUIDELINES FOR ADMINISTERING THE INTERNSHIP PROGRAM. THE
13 POLICIES, PROCEDURES, AND GUIDELINES MUST SPECIFY, AT A MINIMUM:

14 (a) THE CRITERIA FOR SELECTING A TIMBER BUSINESS OR FOREST
15 HEALTH OR WILDFIRE MITIGATION ENTITY FOR PARTICIPATION IN THE
16 INTERNSHIP PROGRAM, INCLUDING THE ABILITY OF THE BUSINESS OR
17 ENTITY TO EFFECTIVELY SUPERVISE AN INTERN AND THE OPPORTUNITY FOR
18 AN INTERN TO GET MEANINGFUL WORK EXPERIENCE;

19 (b) THE CRITERIA FOR AN INTERNSHIP TO QUALIFY UNDER THE
20 INTERNSHIP PROGRAM, INCLUDING THE FOLLOWING:

21 (I) THE INTERNSHIP MUST PROVIDE AN INTERN AT LEAST ONE
22 HUNDRED THIRTY HOURS OF WORK EXPERIENCE; AND

23 (II) THE INTERNSHIP CANNOT EXCEED SIX MONTHS IN DURATION
24 PER INTERN;

25 (c) BEST PRACTICES FOR A TIMBER BUSINESS OR FOREST HEALTH
26 OR WILDFIRE MITIGATION ENTITY TO USE IN RECRUITING AND SELECTING
27 QUALIFIED INTERNS TO INCREASE REPRESENTATION OF HISTORICALLY
28 UNDERREPRESENTED COMMUNITIES IN THE TIMBER, FOREST HEALTH, AND
29 WILDFIRE MITIGATION INDUSTRIES. IN DEVELOPING BEST PRACTICES, THE
30 FOREST SERVICE SHALL SPECIFICALLY CONSIDER HOW TO EXTEND
31 OPPORTUNITIES TO INDIVIDUALS WHO HAVE ACQUIRED EXPERIENCE IN
32 WILDLAND FIRE SERVICES THROUGH THE INMATE DISASTER RELIEF
33 PROGRAM, CREATED IN SECTION 17-24-124 (3).

34 (d) THE CRITERIA FOR A TIMBER BUSINESS OR FOREST HEALTH OR
35 WILDFIRE MITIGATION ENTITY TO USE IN SELECTING QUALIFIED INTERNS,
36 INCLUDING THE REQUIRED EDUCATIONAL EXPERIENCE FOR AN INTERN AND
37 THE ABILITY OF THE INTERN TO PERFORM MEANINGFUL WORK FOR THE
38 BUSINESS;

39 (e) THE PROCESS AND TIMETABLE FOR SELECTING QUALIFIED
40 BUSINESSES AND ENTITIES AND QUALIFIED INTERNS;

41 (f) THE ACCOUNTING REQUIREMENTS FOR TRACKING INTERNSHIP
42 COSTS; AND

43 (g) THE PROCESS BY WHICH A TIMBER BUSINESS OR FOREST

1 HEALTH OR WILDFIRE MITIGATION ENTITY MUST SEEK REIMBURSEMENT
2 FROM THE STATE FOR THE INTERNSHIP COSTS IT HAS ASSUMED.

3 (4) SUBJECT TO AVAILABLE APPROPRIATIONS, THE FOREST SERVICE
4 MAY REIMBURSE A QUALIFIED TIMBER BUSINESS OR FOREST HEALTH OR
5 WILDFIRE MITIGATION ENTITY AN AMOUNT NOT TO EXCEED FIFTY PERCENT
6 OF THE ACTUAL COST TO THE BUSINESS OR ENTITY TO EMPLOY THE INTERN.
7 THE ACTUAL COST INCLUDES THE WAGES PAID TO THE INTERN, A
8 REASONABLE ALLOCATION OF FIXED OVERHEAD EXPENSES, AND ALL
9 INCIDENTAL COSTS DIRECTLY RELATED TO THE INTERNSHIP. BASED ON THE
10 ANNUAL APPROPRIATION FOR THE INTERNSHIP PROGRAM, THE FOREST
11 SERVICE SHALL DETERMINE HOW MANY INTERNSHIPS MAY BE APPROVED,
12 THE AMOUNT OF REIMBURSEMENT PER INTERNSHIP, AND WHETHER A
13 TIMBER BUSINESS OR FOREST HEALTH OR WILDFIRE MITIGATION ENTITY
14 MAY BE REIMBURSED FOR MORE THAN ONE INTERN IN THE SAME FISCAL
15 YEAR. HOWEVER, NO TIMBER BUSINESS OR FOREST HEALTH OR WILDFIRE
16 MITIGATION ENTITY MAY BE REIMBURSED FOR MORE THAN THREE
17 INTERNSHIPS IN THE SAME FISCAL YEAR.

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

20 **39-22-543. Credit for purchase of equipment, vehicles, and
21 structures used in the timber, forest health, and wildfire mitigation
22 - legislative declaration - definitions - repeal.** (1) IN ACCORDANCE
23 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES
24 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
25 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
26 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE GENERAL
27 LEGISLATIVE PURPOSES OF THE TAX CREDIT CREATED IN THIS SECTION ARE
28 TO IMPROVE INDUSTRY COMPETITIVENESS FOR THE STATE'S TIMBER
29 INDUSTRY AND PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES ENGAGED
30 IN TIMBER, FOREST HEALTH, AND WILDFIRE MITIGATION ACTIVITIES,
31 THEREBY IMPROVING THE HEALTH OF COLORADO'S FORESTS AND
32 REDUCING THE RISK OF CATASTROPHIC WILDFIRE. THE SPECIFIC INTENDED
33 PURPOSE OF THE TAX CREDIT CREATED IN THIS SECTION IS TO REDUCE
34 BASIC OPERATIONAL COSTS FOR BUSINESSES OR ENTITIES ENGAGED IN THE
35 STATE'S TIMBER, FOREST HEALTH, AND WILDFIRE MITIGATION INDUSTRIES
36 BY ALLOWING SUCH BUSINESSES OR ENTITIES A SPECIFIED CREDIT AGAINST
37 THEIR INCOME TAXES FOR THEIR PURCHASE OF MECHANIZED EQUIPMENT,
38 VEHICLES, AND EQUIPMENT INFRASTRUCTURE USED TO MAKE WOOD
39 PRODUCTS OR CONDUCT PRESCRIBED BURNING OR OTHER SCIENCE-BASED
40 FOREST MANAGEMENT PRACTICES, THEREBY PROMOTING THE STATE'S
41 TIMBER, FOREST HEALTH, AND WILDFIRE MITIGATION INDUSTRIES. IN
42 ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO
43 MEASURE THE EFFECTIVENESS OF THE CREDIT, THE DEPARTMENT OF

1 REVENUE SHALL TRACK THE NUMBER OF CREDITS ALLOWED, THE TOTAL
2 VALUE OF THE CREDITS ALLOWED, THE AVERAGE AMOUNT OF EACH CREDIT
3 ALLOWED, AND THE NUMBER OF QUALIFYING ITEMS PURCHASED FOR
4 WHICH THE CREDIT WAS ALLOWED.

5 (2) AS USED IN THIS SECTION:

6 (a) "EQUIPMENT INFRASTRUCTURE" MEANS ANY EQUIPMENT USED
7 IN THE MANUFACTURING OF WOOD PRODUCTS AND INCLUDES, WITHOUT
8 LIMITATION, DRY KILNS, SAWMILLS, DEBARKERS, PELLET MILLS, AND
9 STRUCTURES NECESSARY TO ENCLOSE LOGGING OR OTHER OPERATIONS
10 ENGAGED IN BY A TAXPAYER.

11 (b) "QUALIFYING ITEMS" MEANS:

12 (I) ANY MECHANIZED EQUIPMENT THAT IS USED FOR THE
13 HARVESTING, SKIDDING, PROCESSING, AND LOADING OF TREES;

14 (II) ANY TRUCK OR TRAILER THAT IS USED FOR THE HAULING OF
15 LOGS;

16 (III) ANY EQUIPMENT THAT IS USED IN THE MANUFACTURING OF
17 WOOD PRODUCTS;

18 (IV) ANY EQUIPMENT THAT IS USED IN SMALL-DIAMETER TREE
19 REMOVAL AND PROCESSING; AND

20 (V) ANY EQUIPMENT THAT IS USED IN CONDUCTING PRESCRIBED
21 BURNING AS DEFINED IN SECTION 24-33.5-1202 (8.3).

22 (c) "TAXPAYER" MEANS ANY SOLE PROPRIETORSHIP, PARTNERSHIP,
23 LIMITED LIABILITY CORPORATION, SUBCHAPTER S CORPORATION, OR
24 REGULAR CORPORATION DOING BUSINESS IN THE STATE THAT CONCERNS
25 ITSELF WITH FORESTRY, LOGGING, THE TIMBER TRADE, THE PRODUCTION
26 OF WOOD PRODUCTS SUCH AS FURNITURE, AND SECONDARY PRODUCTS
27 SUCH AS WOOD PULP FOR THE PULP AND PAPER INDUSTRY, OR WITH FOREST
28 HEALTH AND WILDFIRE MITIGATION ACTIVITIES INCLUDING PRESCRIBED
29 BURNING AS DEFINED IN 24-33.5-1217 OR OTHER SCIENCE-BASED FOREST
30 MANAGEMENT PRACTICES.

31 (3) WITH RESPECT TO TAX YEARS COMMENCING ON OR AFTER
32 JANUARY 1, 2022, BUT PRIOR TO JANUARY 1, 2027, THERE IS ALLOWED TO
33 ANY TAXPAYER A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22
34 IN THE AMOUNT OF TWENTY PERCENT OF THE COST INCURRED BY THE
35 TAXPAYER IN PURCHASING A QUALIFYING ITEM, NOT TO EXCEED TEN
36 THOUSAND DOLLARS IN THE AGGREGATE FOR ALL QUALIFYING ITEMS
37 PURCHASED IN ANY ONE INCOME TAX YEAR.

38 (4) (a) IF A QUALIFYING ITEM THAT WAS PRODUCED IN COLORADO
39 IS AVAILABLE, THE TAX CREDIT ALLOWED BY THIS SECTION MAY ONLY BE
40 CLAIMED FOR QUALIFYING ITEMS PRODUCED IN COLORADO. IF A
41 QUALIFYING ITEM PRODUCED IN COLORADO IS NOT AVAILABLE, THE TAX
42 CREDIT ALLOWED BY THIS SECTION MAY BE CLAIMED REGARDLESS OF
43 WHERE THE QUALIFYING ITEM IS PRODUCED.

1 (b) IF AN ELECTRIC-POWERED QUALIFYING ITEM IS AVAILABLE, THE
2 TAX CREDIT ALLOWED BY THIS SECTION MAY ONLY BE CLAIMED FOR
3 ELECTRIC-POWERED QUALIFYING ITEMS. IF AN ELECTRIC-POWERED
4 QUALIFYING ITEM IS NOT AVAILABLE, THE TAX CREDIT MAY BE CLAIMED
5 REGARDLESS OF THE POWER SOURCE OF THE QUALIFYING ITEM.

6 (5) IF THE AMOUNT OF THE CREDIT SPECIFIED IN SUBSECTION (3) OF
7 THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES DUE ON THE
8 INCOME OF THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE
9 CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN
10 OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR SHALL NOT BE
11 ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AS A CREDIT
12 AGAINST SUBSEQUENT YEARS' TAX LIABILITY FOR A PERIOD NOT
13 EXCEEDING FIVE YEARS AND SHALL BE APPLIED FIRST TO THE EARLIEST
14 INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT
15 USED DURING SAID PERIOD SHALL NOT BE REFUNDABLE TO THE TAXPAYER.

16 (6) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER MUST
17 SUBMIT TO THE DEPARTMENT OF REVENUE WITH DOCUMENTATION IN A
18 FORM SATISFACTORY TO THE DEPARTMENT OF REVENUE THAT
19 DEMONSTRATES THE TAXPAYER PURCHASED THE QUALIFYING ITEM AND
20 THE COST OF THE ITEM PURCHASED BY THE TAXPAYER.

21 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2032.

31 Page 1, strike lines 104 through 106 and substitute "FOREST SERVICE AND
32 CREATING A STATE INCOME TAX".

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