

1 Amend printed bill, page 5, after line 6 insert:

2 **"SECTION 2.** In Colorado Revised Statutes, 39-29-105, **amend**
3 (2)(b)(II) and (2)(d) introductory portion; and **repeal** (2)(c) as follows:

4 **39-29-105. Tax on severance of oil and gas.**
5 (2) (b) (II) (A) With respect to oil and gas there is allowed, as a credit
6 against the tax computed in accordance with the provisions of subsection
7 (1)(b) of this section for each taxable year commencing on or after
8 January 1, 2024, but prior to January 1, 2026 2027, an amount equal to
9 seventy-five percent of all ad valorem taxes assessed during the taxable
10 year in the case of accrual basis taxpayers or paid during the taxable year
11 in the case of cash basis taxpayers upon oil and gas leaseholds and
12 leasehold interests and oil and gas royalties and royalty interests for state,
13 county, municipal, school district, and special district purposes, except
14 such ad valorem taxes assessed or paid for such purposes upon equipment
15 and facilities used in the drilling for, production of, storage of, and
16 pipeline transportation of oil and gas.

17 (B) WITH RESPECT TO OIL AND GAS THERE IS ALLOWED, AS A
18 CREDIT AGAINST THE TAX COMPUTED IN ACCORDANCE WITH SUBSECTION
19 (1)(b) OF THIS SECTION FOR EACH TAXABLE YEAR COMMENCING ON OR
20 AFTER JANUARY 1, 2027, BUT PRIOR TO JANUARY 1, 2028, AN AMOUNT
21 EQUAL TO EIGHTY-SEVEN AND FIVE-TENTHS PERCENT OF ALL AD VALOREM
22 TAXES ASSESSED DURING THE TAXABLE YEAR IN THE CASE OF ACCRUAL
23 BASIS TAXPAYERS OR PAID DURING THE TAXABLE YEAR IN THE CASE OF
24 CASH BASIS TAXPAYERS UPON OIL AND GAS LEASEHOLDS AND LEASEHOLD
25 INTERESTS AND OIL AND GAS ROYALTIES AND ROYALTY INTERESTS FOR
26 STATE, COUNTY, MUNICIPAL, SCHOOL DISTRICT, AND SPECIAL DISTRICT
27 PURPOSES, EXCEPT SUCH AD VALOREM TAXES ASSESSED OR PAID FOR SUCH
28 PURPOSES UPON EQUIPMENT AND FACILITIES USED IN THE DRILLING FOR,
29 PRODUCTION OF, STORAGE OF, AND PIPELINE TRANSPORTATION OF OIL AND
30 GAS.

31 (c) For a taxable year beginning on or after January 1, 2026, but
32 before January 1, 2027, for each well that is not exempt from the state
33 severance tax pursuant to subsection (1)(b) of this section, there is
34 allowed a credit against the tax computed in accordance with the
35 provisions of subsection (1)(b) of this section in an amount calculated by
36 the formula $C = 0.65625 \times GI \times ML$, where:

37 (I) C is the amount of the credit;
38 (II) GI is the gross income attributable to the well for the current
39 taxable year; and
40 (III) ML is the total of all mill levies, fixed not later than

1 December 22 of the preceding calendar year pursuant to section 39-1-111,
2 by all local governments for property at the well's location.

3 (d) For a taxable year beginning on or after January 1, 2027 2028,
4 for each well that is not exempt from the state severance tax pursuant to
5 subsection (1)(b) of this section, there is allowed a credit against the tax
6 computed in accordance with subsection (1)(b) of this section in an
7 amount calculated by the formula $C = 0.7656 \times GI \times ML$, where:

8 **SECTION 3.** In Colorado Revised Statutes, 39-29-108, **amend**
9 (2)(e)(I) and (2)(e)(III)(B) as follows:

10 **39-29-108. Allocation of severance tax revenues - definitions**

11 **- repeal.** (2) (e) (I) Except as provided in subsection (2)(e)(II) of this
12 section, for the state fiscal years 2023-24 through 2026-27, the state
13 treasurer shall credit the discrete increased amount of severance tax for
14 oil and gas production that is attributable to the reduction of the credit
15 against tax pursuant to section 39-29-105 (2)(b)(II) ~~and 39-29-105 (2)(c)~~
16 to the decarbonization tax credits administration cash fund created in
17 section 24-38.5-120 (2).

18 (III) As used in this subsection (2)(e), unless the context otherwise
19 requires:

20 (B) "Discrete increased amount of severance tax for oil and gas
21 production" means the amount of tax collected that is attributable to a
22 twelve and one-half percent reduction in the severance tax credit for oil
23 and gas production set forth in section 39-29-105 (2)(b)(II) for tax years
24 beginning on or after January 1, 2024, but before January 1, 2026. ~~and a~~
25 ~~ten and nine hundred thirty-five thousandths percent reduction set forth~~
26 ~~in section 39-29-105 (2)(c) for tax years beginning on or after January 1,~~
27 ~~2026, but before January 1, 2027.~~".

28 Renumber succeeding section accordingly.

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