

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 7, 2017
Date

Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

HB17-1091 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 4, strike lines 9 through 27 and substitute the
2 following:

3 (a) "CERTIFICATE" MEANS A DOCUMENT ISSUED BY A SPONSOR IN
4 A FORMAT ACCEPTABLE TO THE DEPARTMENT EVIDENCING A DONATION
5 RECEIVED TO SUPPORT AN EMPLOYER-ASSISTED ELIGIBLE ACTIVITY IN A
6 RURAL AREA.

7 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE OR ANY
8 SUCCESSOR ENTITY.

9 (c) "DONATION" MEANS CASH, SECURITIES, OR REAL PROPERTY
10 THAT IS DONATED TO A SPONSOR THAT IS USED SOLELY FOR OR
11 ASSOCIATED WITH AN EMPLOYER-ASSISTED ELIGIBLE ACTIVITY.

12 (d) "EMPLOYER-ASSISTED ELIGIBLE ACTIVITY" MEANS AN ACTIVITY
13 THAT:

14 (I) CREATES OR PRESERVES AFFORDABLE HOUSING FOR ONE OR
15 MORE MODERATE INCOME HOUSEHOLDS NEAR THEIR PLACE OF
16 EMPLOYMENT IN A RURAL AREA;

17 (II) ASSISTS ONE OR MORE MODERATE INCOME HOUSEHOLDS IN
18 OBTAINING SAFE AND AFFORDABLE HOUSING NEAR THEIR PLACE OF
19 EMPLOYMENT IN A RURAL AREA; OR

20 (III) BUILDS THE CAPACITY OF A SPONSOR THAT IS AN ELIGIBLE
21 NONPROFIT ORGANIZATION AND THAT IS LOCATED IN A RURAL COUNTY TO
22 PROVIDE HOUSING OPPORTUNITIES FOR ONE OR MORE MODERATE-INCOME
23 HOUSEHOLDS LIVING IN A RURAL AREA.

24 (e) "MODERATE INCOME HOUSEHOLD" MEANS A HOUSEHOLD

1 WHOSE ADJUSTED INCOME IS LESS THAN ONE HUNDRED TWENTY PERCENT
2 OF THE MEDIAN INCOME WITHIN THE GEOGRAPHIC AREA OF THE LOCATION
3 OF THE EMPLOYER-ASSISTED ELIGIBLE ACTIVITY, ADJUSTED FOR FAMILY
4 SIZE, AS SUCH ADJUSTED INCOME AND MEDIAN INCOME FOR THE
5 GEOGRAPHIC AREA ARE DETERMINED FROM TIME TO TIME BY THE UNITED
6 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR
7 PURPOSE OF SECTION 8 OF THE "UNITED STATES HOUSING ACT OF 1937",
8 42 U.S.C SEC. 1437.

9 (f) "RURAL AREA" MEANS A COUNTY THAT IS LOCATED IN A
10 NONMETROPOLITAN AREA OF THE STATE THAT EITHER HAS NO
11 MUNICIPALITY WITH FIFTY THOUSAND OR MORE PERMANENT RESIDENTS
12 WITHIN ITS TERRITORIAL BOUNDARIES, BASED UPON THE MOST RECENT
13 POPULATION ESTIMATES PUBLISHED BY THE UNITED STATES CENSUS
14 BUREAU, OR THAT SATISFIES ALTERNATE CRITERIA FOR THE DESIGNATION
15 OF A RURAL AREA AS MAY BE PROMULGATED BY THE FEDERAL OFFICE OF
16 MANAGEMENT AND BUDGET.

17 (g) "SPONSOR" MEANS:

18 (I) THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED
19 IN SECTION 29-4-704 (1);

20 (II) ANY HOUSING AUTHORITY OPERATED BY ANY MUNICIPALITY
21 OR COUNTY IN THE STATE; OR

22 (III) A NONPROFIT ORGANIZATION THAT IS DESIGNATED AS A
23 COMMUNITY DEVELOPMENT CORPORATION UNDER TITLE VII OF THE
24 FEDERAL "ECONOMIC OPPORTUNITY ACT OF 1964", 42 U.S.C. SEC. 2701
25 ET. SEQ.

26 (h) "TAXPAYER" MEANS A PERSON MAKING A DONATION WHO FILES
27 AN INCOME TAX RETURN UNDER THIS ARTICLE 22.

28 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
29 JANUARY 1, 2018, BUT PRIOR TO JANUARY 1, 2022, THERE SHALL BE
30 ALLOWED FOR ANY TAXPAYER A CREDIT AGAINST THE INCOME TAXES
31 IMPOSED BY THIS ARTICLE 22 FOR A DONATION THE TAXPAYER MAKES TO
32 A SPONSOR THAT IS USED SOLELY FOR THE COSTS ASSOCIATED WITH AN
33 EMPLOYER-ASSISTED ELIGIBLE ACTIVITY IN A RURAL AREA.

34 (b) THE AMOUNT OF THE CREDIT ALLOWED BY THIS SECTION IS
35 EQUAL TO FIFTY PERCENT OF THE APPROVED AMOUNT OF THE DONATION
36 AS DOCUMENTED IN A FORM AND MANNER ACCEPTABLE TO THE
37 DEPARTMENT.

38 (4) IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
39 SECTION EXCEEDS THE AMOUNT OF THE INCOME TAX OTHERWISE DUE ON
40 THE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE
41 CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN

1 OFFSET AGAINST INCOME TAXES IN SUCH INCOME TAX YEAR IS NOT
2 ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AND APPLIED
3 AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE SUCCEEDING INCOME
4 TAX YEARS, BUT MUST FIRST BE APPLIED AGAINST THE INCOME TAX DUE
5 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE.

6 (5) (a) A TAXPAYER CLAIMING THE CREDIT ALLOWED BY THIS
7 SECTION SHALL SUBMIT, MAINTAIN, AND RECORD ANY INFORMATION THAT
8 THE DEPARTMENT MAY REQUIRE BY RULE REGARDING THE TAXPAYER'S
9 DONATION TO THE SPONSOR, INCLUDING THE CERTIFICATE RECEIVED
10 EVIDENCING THE DONATION. THE CERTIFICATE MUST STATE THE
11 EFFECTIVE DATE OF THE DONATION. A TAXPAYER SHALL ELECTRONICALLY
12 FILE WITH THE DEPARTMENT THE CERTIFICATE THE TAXPAYER RECEIVES
13 FROM THE SPONSOR. THE OFFICE OF ECONOMIC DEVELOPMENT AND
14 INTERNATIONAL TRADE IS RESPONSIBLE FOR VERIFYING THE INFORMATION
15 STATED ON THE TAX CERTIFICATES SUBMITTED BY A TAXPAYER CLAIMING
16 A CREDIT ALLOWED BY THIS SECTION.

17 (b) THE SPONSOR RECEIVING THE DONATION SHALL SUBMIT AND
18 MAINTAIN SUCH RECORDS AS REQUIRED BY THE DEPARTMENT TO ENSURE
19 THAT AFFORDABLE HOUSING OPPORTUNITIES ARE BEING PROVIDED BY THIS
20 SECTION.

21 (6) EACH SPONSOR THAT HAS ISSUED CERTIFICATES EVIDENCING
22 DONATIONS IN A CALENDAR YEAR UNDER THIS SECTION IN THE
23 CUMULATIVE AMOUNT OF TEN THOUSAND DOLLARS OR MORE SHALL
24 REPORT TO THE GENERAL ASSEMBLY BY MARCH 1, 2019, AND BY MARCH
25 1 OF EACH YEAR THEREAFTER, THROUGH AND INCLUDING MARCH 1, 2022,
26 ON THE OVERALL ECONOMIC ACTIVITY, USAGE, AND IMPACT TO THE STATE
27 FROM THE EMPLOYER-ASSISTED ELIGIBLE ACTIVITY FOR WHICH IT HAS
28 CERTIFIED A DONATION ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION.

29 (7) THE DEPARTMENT MAY RECAPTURE TAX CREDITS PROVIDED TO
30 A TAXPAYER IF THE SPONSOR CERTIFYING THE DONATION IS UNABLE TO
31 DOCUMENT OR VALIDATE COMPLETION OF THE EMPLOYER-ASSISTED
32 ELIGIBLE ACTIVITIES WITHIN FIVE YEARS OF THE EFFECTIVE DATE OF THE
33 DONATION BEING CERTIFIED.

34 (8) THE DEPARTMENT SHALL PROMULGATE, IN ACCORDANCE WITH
35 ARTICLE 4 OF TITLE 24, ANY RULES NECESSARY TO FACILITATE THE
36 EFFECTIVE IMPLEMENTATION OF THIS SECTION.

37 (9) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A
38 TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION FOR A
39 DONATION FOR WHICH THE TAXPAYER IS CLAIMING ANY OTHER STATE TAX
40 CREDIT OR DEDUCTION.

41 (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2031."

- 1 Strike pages 5 through 10.
- 2 Page 11, strike lines 1 through 20.

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