

HOUSE COMMITTEE OF REFERENCE REPORT

February 28, 2022

Chair of Committee

Date

Committee on Finance.

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

HB22-1149 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, line 3, strike "(2)(c), (3)(a), (3)(b)(I), (3)(c),"
2 and substitute "(2)(c), (2)(d), (3)(a), (3)(b),".

3 Page 3, after line 26 insert:

4 "(d) As part of the application for an advanced industry
5 investment tax credit, the applicant and the qualified small business that
6 receives the investment must each provide written authorization to permit
7 the department of revenue to provide tax information to the office for the
8 purpose of determining if there are any misrepresentations on the
9 application. The authorization is limited to disclosure of income tax
10 information for the latest two years for which returns were filed with the
11 department of revenue preceding the date the application is filed and for
12 all tax years through the year in which the investment was made for
13 which a return was not filed as of the date of the application. The
14 applicant must also provide in the written authorization income tax
15 information for all tax years in which the applicant actually claims a tax
16 credit or carries forward a tax credit on a return filed with the department
17 of revenue. An applicant ~~with an individual ownership interest as a~~
18 ~~co-owner of a business and that may be entitled to a pro rata share of the~~
19 ~~tax credit pursuant to section 39-22-532 (5), C.R.S. THAT IS A~~
20 PARTNERSHIP, LIMITED LIABILITY COMPANY, S CORPORATION, OR SIMILAR
21 PASS-THROUGH ENTITY AND THAT MAY ALLOCATE THE CREDIT AMONG THE
22 PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT QUALIFIED
23 INVESTORS PURSUANT TO SECTION 39-22-532 (7) must provide a written
24 authorization with content similar to the authorization, and in the same
25 manner, as any other applicant is required to provide. If an applicant or
26 qualified small business fails to comply with this ~~paragraph (d)~~
27 SUBSECTION (2)(d), an applicant is ineligible for a tax credit."

1 Page 4, line 19, strike "2028;" and substitute "2027;".

2 Page 4, line 20, after "year" insert "THROUGH 2022".

3 Page 4, strike line 27.

4 Page 5, strike lines 1 through 10 and substitute:

5 "(II) The total amount of the tax credit for each qualified
6 investment shall not exceed ~~fifty~~ ONE HUNDRED thousand dollars. A
7 qualified investor may not claim more than one tax credit per qualified
8 small business, but may be eligible for a tax credit for qualified
9 investments in different qualified small businesses in the same or a
10 different year."

11 Page 6, after line 2 insert:

12 "SECTION 2. In Colorado Revised Statutes, 39-22-532, repeal
13 (5); and add (7) as follows:

14 **39-22-532. Advanced industry investment tax credit -**
15 **definitions.** (5) ~~Individuals who are co-owners of a business, including~~
16 ~~partners in a partnership and shareholders of an S corporation, may each~~
17 ~~claim only their individual pro-rata shares of the Colorado innovation~~
18 ~~investment tax credit allowed under this section based on their ownership~~
19 ~~interests. The total of the tax credits allowed to all such owners may not~~
20 ~~exceed the amount that would have been allowed to a sole owner.~~

21 (7) IF A QUALIFIED INVESTOR RECEIVING A CREDIT ALLOWED IN
22 THIS SECTION IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S
23 CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE QUALIFIED
24 INVESTOR MAY ALLOCATE THE CREDIT AMONG ITS PARTNERS,
25 SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT QUALIFIED INVESTORS
26 IN ANY MANNER AGREED TO BY SUCH PARTNERS, SHAREHOLDERS,
27 MEMBERS, OR OTHER CONSTITUENT QUALIFIED INVESTORS. THE QUALIFIED
28 INVESTOR SHALL CERTIFY TO THE COLORADO OFFICE OF ECONOMIC
29 DEVELOPMENT THE AMOUNT OF THE CREDIT ALLOCATED TO EACH
30 PARTNER, SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT QUALIFIED
31 INVESTOR, AND THE OFFICE SHALL ISSUE CREDIT CERTIFICATES IN THE
32 APPROPRIATE AMOUNTS TO EACH PARTNER, SHAREHOLDER, MEMBER, OR
33 OTHER CONSTITUENT QUALIFIED INVESTOR. EACH PARTNER,
34 SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT QUALIFIED INVESTOR
35 SHALL BE ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO ANY
36 RESTRICTIONS SET FORTH IN THIS SECTION AND SECTION 24-48.5-112."

37 Renumber succeeding section accordingly.

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