

CHAPTER 118

TAXATION

HOUSE BILL 20-1177

BY REPRESENTATIVE(S) Arndt, McKean, Valdez D., Van Winkle, Bockenfeld, Buentello, McLachlan, Michaelson Jenet, Pelton, Sandridge, Will, Woodrow, Young;
also SENATOR(S) Tate, Moreno, Woodward, Zenzinger, Bridges, Crowder, Gardner, Hansen, Marble, Priola, Rankin, Sonnenberg, Garcia.

AN ACT**CONCERNING MODIFICATIONS TO THE ENTERPRISE ZONE STATUTES IN ORDER TO ADDRESS CERTAIN DEFECTS AND ANACHRONISMS.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-30-103.5, **amend** (1)(a) as follows:

39-30-103.5. Credit against tax - contributions to enterprise zone administrators to implement economic development plans. (1)(a) ~~(I) Except as otherwise provided in subparagraph (II) of this paragraph (a), for income tax years commencing on or after January 1, 1989, Any taxpayer who makes a monetary or in-kind contribution for the purpose of implementing the economic development plan for the enterprise zone to the person or agency designated as the enterprise zone administrator by the department of local affairs, and on or after July 1, 2008, by the person or agency designated as the enterprise zone administrator by the Colorado economic development commission, shall be allowed a credit against the income tax imposed by article 22 of this title~~ **TITLE 39** in an amount equal to ~~fifty~~ **TWENTY-FIVE** percent of the total value of the contribution as certified by the enterprise zone administrator.

~~(II) For income tax years commencing on or after January 1, 1996, the amount of the credit allowed for contributions made pursuant to this paragraph (a) shall be twenty-five percent of the total value of the contribution as certified by the enterprise zone administrator; except that nothing in this subparagraph (II) shall be construed to affect the amount of the credit.~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

~~(A) For contributions made prior to July 1, 1997: To an enterprise zone administrator for a project, program, or organization that was originally approved by an enterprise zone administrator in writing prior to May 1, 1996; or directly to a project, program, or organization that was originally approved by an enterprise zone administrator prior to May 1, 1996, and that is certified by the enterprise zone administrator pursuant to subsection (5) of this section; or~~

~~(B) For contributions made on or after July 1, 1997, through December 31, 2000, pursuant to a written agreement executed prior to July 1, 1997, between a taxpayer and an enterprise zone administrator in which the taxpayer pledges to make future contributions to a project, program, or organization that was approved by the enterprise zone administrator pursuant to this section prior to May 1, 1996.~~

SECTION 2. In Colorado Revised Statutes, 39-30-104, **amend** (2)(c)(III) and (2.5)(a)(I) as follows:

39-30-104. Credit against tax - investment in certain property - definitions.
 (2) (c) (III) (A) Except as OTHERWISE provided in ~~sub-subparagraph (B) of this subparagraph (III)~~ SECTION 24-46-104.3 AND SUBSECTION (2)(c)(III)(B) OF THIS SECTION, any excess credit allowed pursuant to this ~~paragraph (c)~~ SUBSECTION (2)(c) shall be an investment tax credit carryover to each of the fourteen income tax years following the unused credit year.

(B) EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-46-104.3, any excess credit allowed pursuant to this ~~paragraph (c)~~ SUBSECTION (2)(c) for a renewable energy investment made in an income tax year commencing before January 1, 2018, shall be an investment tax credit carryover for twenty-two income tax years following the year the credit was originally allowed.

(2.5) (a) (I) Notwithstanding section 39-22-507.5 (7)(b), and except as otherwise provided in ~~section 24-46-104.3 and~~ subsections (2.5)(a)(II) and (2.5)(b) of this section, any excess credit allowed pursuant to this section shall be an investment tax credit carryover to each of the twelve income tax years following the unused credit year.

SECTION 3. In Colorado Revised Statutes, 39-30-105.1, **amend** (4)(a)(II) as follows:

39-30-105.1. Credit for new enterprise zone business employees - definitions.
 (4) (a) (II) Except as provided in section 24-46-104.3, for any income tax year commencing on or after January 1, 2014, if the total amount of credits claimed by a taxpayer pursuant to ~~subsections (1)(a)(III)~~ SUBSECTIONS (1)(a)(II) and (3)(b) of this section exceeds the amount of income taxes due on the income of the taxpayer in the income tax year for which the credits are being claimed, the amount of credits not used as an offset against income taxes in said income tax year is not allowed as a refund but may be carried forward as a credit against subsequent years' tax liability for a period not exceeding seven years and is applied first to the earliest income tax years possible. Any amount of the credit that is not used during said period is not refundable to the taxpayer.

SECTION 4. Act subject to petition - effective date. This act takes effect at

12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 23, 2020