

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 23-0398.04 Alison Killen x4350

**HOUSE BILL 23-1260**

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**A BILL FOR AN ACT**

101      **CONCERNING TAX INCENTIVES TO MAXIMIZE INVESTMENTS IN**  
102            **SEMICONDUCTOR AND ADVANCED MANUFACTURING IN**  
103            **COLORADO, AND, IN CONNECTION THEREWITH, AUTHORIZING**  
104            **THE ECONOMIC DEVELOPMENT COMMISSION TO APPROVE**  
105            **REFUND CERTIFICATES FOR CERTAIN INCOME TAX CREDITS,**  
106            **CREATING A SEMICONDUCTOR MANUFACTURING ZONE**  
107            **PROGRAM, MODIFYING THE COLORADO JOB GROWTH INCENTIVE**  
108            **TAX CREDIT FOR SEMICONDUCTOR AND ADVANCED**  
109            **MANUFACTURING, CREATING AN ADVANCED INDUSTRIES TASK**  
110            **FORCE, AND MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
3rd Reading Unamended  
May 3, 2023

HOUSE  
Amended 2nd Reading  
May 2, 2023

*not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill creates new and modifies existing state tax incentives to maximize federal government funding for taxpayers engaged in semiconductor and advanced manufacturing in Colorado. **Section 1** of the bill creates a refund mechanism, available from fiscal year 2023-24 through fiscal year 2028-29, that allows a taxpayer engaged in semiconductor or advanced manufacturing to apply for conditional approval of one or more types of income tax credits based on a specified project in the state and includes the maximum amount of credit for which the taxpayer may claim a refund of 80% . The income tax credit types that may be the basis for such a refund are:

- The three enterprise zone credits for qualified investments, business facility employees, and expenditures for research and experimental activities;
- The Colorado job growth incentive income tax credit; and
- Three semiconductor manufacturing zone (CHIPS zone) credits for qualified investments, business facility employees, and expenditures for research and experimental activities, which zones are created in **Section 5**.

Semiconductor and advanced manufacturers must apply to the Colorado economic development commission (commission) for a refund certificate approving their project and setting the maximum amount of income tax credits that the manufacturer may claim as a refund in connection with the project. Approved projects must timely commence and credits must be earned within twelve years of approval by the commission. In reviewing applications, the commission must prioritize taxpayers engaged in semiconductor or advanced manufacturing that have received or applied to receive matching funds under the "American Rescue Plan Act of 2021", the "Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022" (CHIPS Act), or other similar federal legislation.

The total amount of all refund certificates approved by the commission cannot exceed \$15 million per fiscal year; except that, if less than \$15 million is approved at the end of any fiscal year, the remaining amount is available for approval in the next fiscal year. The total amount of all refund certificates approved by the commission for all fiscal years from July 1, 2023, through June 30, 2029, cannot exceed \$75 million.

**Section 2** creates, within the office of economic development (office), a temporary task force comprised of state legislators, representatives of the office, and citizens with industry experience to study the effectiveness of financial incentives and other resources intended to attract and promote the development of advanced

manufacturing and other science, technology, engineering, or math (STEM) companies in Colorado during the 2023 legislative interim. The task force is required to report its findings to the general assembly and the governor by a specified date.

**Sections 3 through 5** amend the enterprise zone income tax credits for qualified investments, business facility employees, and research and experimental activities to incorporate the refund mechanism created in section 1.

**Section 6** creates the CHIPS zone tax credit program. Similar to the enterprise zone tax credit program, a local government may propose an area for designation as a CHIPS zone, which designation may promote the local economy through incentivizing businesses to locate in the area. A taxpayer located in a CHIPS zone may be eligible to claim an income tax credit under existing enterprise zone statutes for the taxpayer's qualified investments, business facility employees, or research and experimental activities. However, the tax benefits of CHIPS zones are only available to taxpayers engaged in semiconductor manufacturing, as that term is defined under the CHIPS Act.

All CHIPS zone tax credits must be precertified by the CHIPS zone administrator. All such credits may be used to offset a taxpayer's liability or carried forward for a period not to exceed 12 years. Or, if the credits are included in a refund certificate approved by the commission pursuant to section 1, they may be used to claim a refund of 80% of the total amount of the credits.

CHIPS zones may be modified or terminated in the discretion of the commission between income tax years 2023 and 2040; however, all CHIPS zones will terminate as a matter of law on December 31, 2040.

**Section 7** modifies the Colorado job growth incentive tax credit to provide for an award of credit to taxpayers engaged in an advanced manufacturing or semiconductor manufacturing project that brings a net job growth of a least 20 jobs with an average yearly wage of at least 75% of the average yearly wage of the county in which the taxpayer is located. Such taxpayers are the only subset of recipients of the Colorado job growth incentive tax credit that may pursue a refund in accordance with section 1.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 24-46-108 as  
3 follows:

4           **24-46-108. Refundable income tax credits for certain**  
5 **businesses located in the state - definitions - repeal.** (1) AS USED IN

1 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (a) "ADVANCED MANUFACTURING" MEANS THE USE OF  
3 INNOVATIVE TECHNOLOGIES AND PROCESSES TO ENHANCE EXISTING AND  
4 CREATE NEW PRODUCTS, INCLUDING, BUT NOT LIMITED TO, PRODUCTION  
5 ACTIVITIES THAT DEPEND ON AUTOMATION, COMPUTATION, ENHANCED  
6 PROTOTYPING, LASERS, NETWORKING, ROBOTICS, SENSING, SIMULATION,  
7 AND SOFTWARE, AND OTHER SIMILAR ACTIVITIES AS MAY BE DETERMINED  
8 BY THE COMMISSION, IN THIS STATE.

9 (b) "ARPA" MEANS THE FEDERAL "AMERICAN RESCUE PLAN ACT  
10 OF 2021", PUB.L. 117-2, AS AMENDED.

11 (c) "CHIPS ACT" MEANS THE FEDERAL "CREATING HELPFUL  
12 INCENTIVES TO PRODUCE SEMICONDUCTORS AND SCIENCE ACT OF 2022",  
13 PUB.L. 117-167, AS AMENDED.

14 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

15 (e) "INCOME TAX CREDIT" MEANS AN INCOME TAX CREDIT  
16 ALLOWED TO A TAXPAYER UNDER SECTION 39-30-104, 39-30-105.1,  
17 39-30-105.5, OR 39-22-531 (2) AND (3)(a)(I)(D).

18 (f) "INVESTOR" MEANS A PARTNER, SHAREHOLDER, OR MEMBER OF  
19 A TAX PAYER THAT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S  
20 CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY.

21 (g) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
22 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

23 (h) "PROJECT" MEANS A TAXPAYER'S ADVANCED MANUFACTURING  
24 OR SEMICONDUCTOR MANUFACTURING BUSINESS ACTIVITIES.

25 (i) "REFUND CERTIFICATE" MEANS A WRITTEN, CONDITIONAL  
26 APPROVAL BY THE COMMISSION THAT IS ASSOCIATED WITH A TAXPAYER'S  
27 APPROVED PROJECT AND THAT SETS FORTH THE MAXIMUM AMOUNT OF

1 INCOME TAX CREDITS THAT THE TAXPAYER MAY CLAIM AS A REFUND IN  
2 ACCORDANCE WITH THIS SECTION.

3 (j) (I) "SEMICONDUCTOR MANUFACTURING" MEANS THE  
4 FABRICATION, ASSEMBLY, TESTING, ADVANCED PACKAGING, PRODUCTION,  
5 OR RESEARCH AND DEVELOPMENT OF SEMICONDUCTORS, MATERIALS USED  
6 TO MANUFACTURE OR ENHANCE SEMICONDUCTORS, OR SEMICONDUCTOR  
7 MANUFACTURING EQUIPMENT IN THIS STATE FOR WHICH A TAXPAYER MAY  
8 RECEIVE FEDERAL FINANCIAL ASSISTANCE UNDER THE CHIPS ACT.

9 (II) THE DEFINITION OF "SEMICONDUCTOR MANUFACTURING" FOR  
10 PURPOSES OF THIS SECTION MAY BE MODIFIED OR EXPANDED BY THE  
11 COMMISSION, INCLUDING TO REFLECT ANY DIFFERENCES BETWEEN THE  
12 DEFINITION IN SUBSECTION (1)(j)(I) OF THIS SECTION AND THE DEFINITION  
13 OF "SEMICONDUCTOR MANUFACTURING" THAT MAY BE USED BY THE  
14 UNITED STATES DEPARTMENT OF COMMERCE IN IMPLEMENTING THE  
15 CHIPS ACT.

16 (k) "TAXPAYER" MEANS A PERSON ENGAGED IN ADVANCED  
17 MANUFACTURING OR SEMICONDUCTOR MANUFACTURING THAT IS SUBJECT  
18 TO TAX UNDER ARTICLE 22 OF TITLE 39.

19 (2) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION  
20 (2)(b) OF THIS SECTION, FOR STATE FISCAL YEARS 2023-24 THROUGH  
21 2028-29, THE COMMISSION MAY APPROVE AND ISSUE A REFUND  
22 CERTIFICATE IF THE APPLICANT DEMONSTRATES THAT THE APPLICANT IS  
23 A TAXPAYER THAT IS ENGAGED IN OR WILL ENGAGE IN A PROJECT ELIGIBLE  
24 FOR AN INCOME TAX CREDIT. SUBJECT TO THE CONDITIONS IN SUBSECTION  
25 (7) OF THIS SECTION AND ANY OTHER CONDITIONS ESTABLISHED BY THE  
26 COMMISSION, A TAXPAYER THAT HOLDS A REFUND CERTIFICATE MAY  
27 CLAIM A REFUND OF EIGHTY PERCENT OF THE INCOME TAX CREDIT TYPES

1 LISTED ON THE REFUND CERTIFICATE THAT ARE EARNED BY THE TAXPAYER  
2 DURING THE TWELVE YEARS FOLLOWING THE COMMISSION'S APPROVAL  
3 AND ARE NOT USED TO OFFSET THE TAXPAYER'S STATE INCOME TAXES DUE.  
4 THE LIMITATIONS ON THE AMOUNT OF CREDIT ALLOWED PER INCOME TAX  
5 YEAR SET FORTH IN SECTIONS 39-30-104 (2)(c) AND 39-30-105.5 (2) DO  
6 NOT APPLY TO INCOME TAX CREDITS REFUNDED UNDER THIS SECTION.  
7 REFUNDS OF THE INCOME TAX CREDITS CLAIMED PURSUANT TO THIS  
8 SECTION ARE A REDUCTION IN TAX REVENUE.

9 (b) THE COMMISSION SHALL APPROVE REFUND CERTIFICATES  
10 PURSUANT TO THIS SECTION SUBJECT TO THE FOLLOWING LIMITATIONS:

11 (I) THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS FOR  
12 WHICH THE COMMISSION MAY APPROVE REFUND TAX CREDIT CERTIFICATES  
13 FOR ALL TAXPAYERS IS FIFTEEN MILLION DOLLARS PER FISCAL YEAR;  
14 EXCEPT THAT, IF THE COMMISSION APPROVES REFUND CERTIFICATES FOR  
15 LESS THAN FIFTEEN MILLION DOLLARS OF INCOME TAX CREDITS DURING  
16 ANY FISCAL YEAR, THE REMAINING AUTHORIZED BUT UNENCUMBERED  
17 AMOUNT OF INCOME TAX CREDITS IS ADDED TO THE MAXIMUM AMOUNT OF  
18 INCOME TAX CREDITS FOR WHICH THE COMMISSION MAY APPROVE REFUND  
19 CERTIFICATES DURING THE NEXT FISCAL YEAR;

20 (II) THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS FOR  
21 WHICH THE COMMISSION MAY APPROVE REFUND CERTIFICATES FOR ALL  
22 TAXPAYERS FOR ALL FISCAL YEARS FROM JULY 1, 2023, THROUGH JUNE  
23 30, 2028, IS SEVENTY-FIVE MILLION DOLLARS; EXCEPT THAT, IF THE  
24 COMMISSION HAS APPROVED REFUND CERTIFICATES FOR LESS THAN  
25 SEVENTY-FIVE MILLION DOLLARS OF INCOME TAX CREDITS ON JUNE 30,  
26 2028, THE COMMISSION MAY APPROVE REFUND CERTIFICATES FOR NEW  
27 AND EXISTING APPLICANTS EQUAL TO THE REMAINING AMOUNT THROUGH

1 THE FISCAL YEAR ENDING JUNE 30, 2029; AND

2 (III) COMPLIANCE WITH THE LIMITATIONS SET FORTH IN THIS  
3 SUBSECTION (2)(b) SHALL BE CALCULATED BASED ON THE TOTAL AMOUNT  
4 OF THE INCOME TAX CREDITS INCLUDED IN THE REFUND CERTIFICATES AND  
5 NOT EIGHTY PERCENT OF SUCH AMOUNT.

6 (c) (I) A TAXPAYER THAT RECEIVES A REFUND CERTIFICATE SHALL  
7 NOTIFY THE COMMISSION PROMPTLY IF THE PROJECT INCLUDED IN THE  
8 CERTIFICATE IS CANCELED, MODIFIED, OR OTHERWISE BECOMES INELIGIBLE  
9 FOR THE ESTIMATED CREDIT, IN WHICH CASE THE REFUND CERTIFICATE  
10 MAY BE CANCELED OR MODIFIED.

11 (II) A REFUND CERTIFICATE MAY BE REVOKED OR MODIFIED IF A  
12 TAXPAYER THAT RECEIVES A REFUND CERTIFICATE DOES NOT COMMENCE  
13 THE PROJECT APPROVED THEREIN WITHIN TWO YEARS OF THE  
14 COMMISSION'S APPROVAL OF THE REFUND CERTIFICATE OR OTHERWISE  
15 FAILS TO MEET THE TERMS OF THE REFUND CERTIFICATE.

16 (III) NOTWITHSTANDING THE LIMITATIONS IN SUBSECTION (2)(b)  
17 OF THIS SECTION, IF A TAXPAYER'S REFUND CERTIFICATE IS CANCELED OR  
18 MODIFIED PURSUANT TO SUBSECTION (2)(c)(I) OF THIS SECTION OR  
19 REVOKED OR MODIFIED PURSUANT TO (2)(c)(II) OF THIS SECTION, THE  
20 AMOUNT OF THE CANCELED, REVOKED, OR MODIFIED INCOME TAX CREDITS  
21 SHALL BE AVAILABLE TO THE COMMISSION TO USE IN APPROVING OTHER  
22 TAXPAYERS' APPLICATIONS FOR A REFUND CERTIFICATE.

23 (3) A TAXPAYER MUST APPLY TO THE COMMISSION FOR A REFUND  
24 CERTIFICATE ALLOWED UNDER SUBSECTION (2)(a) OF THIS SECTION IN  
25 ACCORDANCE WITH DEADLINES, POLICIES, AND PROCEDURES ESTABLISHED  
26 BY THE OFFICE, IN CONSULTATION WITH THE COMMISSION, AS FOLLOWS:

27 (a) A TAXPAYER MUST SUBMIT AN APPLICATION INCLUDING ALL

1 INFORMATION AND DOCUMENTATION REQUIRED FOR A PENDING PROJECT  
2 UNDER THIS SUBSECTION (3) TO THE COMMISSION PRIOR TO OBTAINING  
3 PRECERTIFICATION OF ANY INCOME TAX CREDIT FOR THE PROJECT  
4 PURSUANT TO SECTION 39-30-103 (7) OR 39-36-104 (5)(a) OR ON OR  
5 BEFORE THE FIRST DAY OF THE TAXPAYER'S CREDIT PERIOD UNDER  
6 SECTION 39-22-531 (1)(d)(II), AS APPLICABLE; AND

7 (b) AN APPLICATION FOR A REFUND CERTIFICATE MUST BE  
8 SUBMITTED IN A FORM PRESCRIBED BY THE OFFICE AND MUST INCLUDE:

9 (I) EACH INCOME TAX CREDIT TYPE FOR WHICH THE TAXPAYER  
10 INTENDS TO REQUEST A REFUND;

11 (II) A DESCRIPTION OF THE PROJECT THAT WILL SUPPORT EACH  
12 INCOME TAX CREDIT TYPE, INCLUDING:

13 (A) THE LOCATION OF THE PROJECT;

14 (B) THE INVESTMENT TO BE MADE FOR THE PROJECT;

15 (C) THE JOBS TO BE CREATED BY THE PROJECT; AND

16 (D) THE ANTICIPATED TOTAL AMOUNT OF INCOME TAX CREDITS TO  
17 BE GENERATED BY THE PROJECT.

18 (III) IDENTIFICATION OF THE TYPE AND ESTIMATED OR ACTUAL  
19 AMOUNT OF ANY ADDITIONAL INCOME TAX CREDITS OR OTHER FINANCIAL  
20 ASSISTANCE FROM ANY FEDERAL, STATE, OR LOCAL GOVERNMENT AGENCY  
21 RECEIVED, APPLIED FOR, OR INTENDED TO BE APPLIED FOR BY THE  
22 TAXPAYER RELATED TO THE SAME PROJECT; AND

23 (IV) ANY OTHER INFORMATION THE OFFICE OR THE COMMISSION  
24 MAY REASONABLY REQUIRE FOR EVALUATION OF THE TAXPAYER'S  
25 APPLICATION FOR A REFUND CERTIFICATE.

26 (c) NOTHING IN SUBSECTION (3)(b) OF THIS SECTION REQUIRES THE  
27 DISCLOSURE TO THE PUBLIC OF ANY INFORMATION THAT REVEALS THE



1 AMOUNT OF COMPENSATION PAID TO ANY INDIVIDUAL EMPLOYEE OF A  
2 BUSINESS, ANY COLORADO INCOME TAX RETURN, ANY INFORMATION  
3 REGARDING EXPENDITURES ON RESEARCH AND DEVELOPMENT, OR OTHER  
4 PROPRIETARY INFORMATION OF A BUSINESS INCLUDED IN A TAXPAYER'S  
5 APPLICATION.

6 (4) IN REVIEWING APPLICATIONS SUBMITTED PURSUANT TO  
7 SUBSECTION (3)(b) OF THIS SECTION, THE COMMISSION SHALL PRIORITIZE  
8 APPLICATIONS DEEMED ELIGIBLE FOR A REFUND CERTIFICATE AS FOLLOWS:

9 (a) FOR FISCAL YEARS 2023-24 AND 2024-25, THE COMMISSION  
10 SHALL GIVE HIGHEST PRIORITY TO TAXPAYERS ENGAGED IN  
11 SEMICONDUCTOR MANUFACTURING THAT HAVE RECEIVED OR ARE  
12 EXPECTED TO RECEIVE MATCHING MONEY UNDER ARPA, THE CHIPS ACT,  
13 OR OTHER FEDERAL LEGISLATION THAT PROVIDES INCENTIVES FOR  
14 SEMICONDUCTOR MANUFACTURING; AND

15 (b) FOR FISCAL YEARS 2025-26 THROUGH 2028-29, THE  
16 COMMISSION SHALL GIVE HIGHEST PRIORITY TO TAXPAYERS ENGAGED IN  
17 ADVANCED MANUFACTURING OR SEMICONDUCTOR MANUFACTURING THAT  
18 HAVE RECEIVED OR ARE EXPECTED TO RECEIVE MATCHING MONEY UNDER  
19 ARPA, THE CHIPS ACT, OR OTHER FEDERAL LEGISLATION THAT PROVIDES  
20 INCENTIVES FOR ADVANCED MANUFACTURING OR SEMICONDUCTOR  
21 MANUFACTURING.

22 (5) THE COMMISSION, TAKING INTO CONSIDERATION THE PRIORITY  
23 ASSESSMENT CONDUCTED PURSUANT TO SUBSECTION (4) OF THIS SECTION,  
24 SHALL APPROVE OR DENY APPLICATIONS FOR REFUND CERTIFICATES IN ITS  
25 DISCRETION BASED ON THE FOLLOWING CRITERIA:

26 (a) WHETHER THE TAXPAYER WAS PREVIOUSLY AWARDED A  
27 REFUND CERTIFICATE UNDER THIS SECTION;

1 (b) THE TYPE AND AMOUNT OF ALL FEDERAL, STATE, AND LOCAL  
2 FINANCIAL ASSISTANCE RECEIVED, APPLIED FOR, OR INTENDED TO BE  
3 APPLIED FOR BY THE TAXPAYER, AS DISCLOSED PURSUANT TO SUBSECTION  
4 (3)(b)(III) OF THIS SECTION, AND THE MANNER IN WHICH THE  
5 GOVERNMENTAL ENTITY OFFERING THE APPLICABLE FINANCIAL  
6 ASSISTANCE HAS BENEFITTED OR MAY BENEFIT THEREFROM;

7 (c) THE SIZE OF THE TAXPAYER'S CURRENT OPERATION IN THE  
8 STATE RELATIVE TO THE STATE AS A WHOLE AND THE REGION OF THE  
9 STATE IN WHICH THE TAXPAYER IS BASED;

10 (d) ANY STRATEGIC ECONOMIC BENEFITS THAT THE TAXPAYER  
11 PROVIDES WITH EXISTING OPERATIONS TO THE STATE OR REGION IN TERMS  
12 OF SUPPLY CHAIN, BENEFITS TO OTHER INDUSTRIES, OR OTHER SPILLOVER  
13 BENEFITS; AND

14 (e) ANY ADDITIONAL FORTHCOMING ECONOMIC DEVELOPMENT  
15 BENEFITS THAT THE TAXPAYER MAY PROVIDE TO THE STATE OR REGION  
16 BASED ON COMMITMENTS THAT THE TAXPAYER HAS RECENTLY MADE OR  
17 PROPOSES TO MAKE IN THE NEAR TERM.

18 (6) (a) THE COMMISSION MAY APPROVE ALL, PART, OR NONE OF  
19 THE AMOUNT OF A TAXPAYER'S APPLICATION FOR A REFUND CERTIFICATE  
20 MADE PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION. IF THE  
21 COMMISSION APPROVES A TAXPAYER'S APPLICATION IN PART, THE  
22 COMMISSION MAY APPROVE ADDITIONAL REFUND CERTIFICATES UP TO THE  
23 FULL AMOUNT OF THE TAXPAYER'S ORIGINAL APPLICATION IN A  
24 SUBSEQUENT FISCAL YEAR THROUGH FISCAL YEAR 2028-29.

25 (b) UPON APPROVAL BY THE COMMISSION, AND AFTER THE  
26 SATISFACTION OF ANY CONTINGENCIES IMPOSED PURSUANT TO  
27 SUBSECTION (10) OF THIS SECTION, THE OFFICE SHALL ISSUE A REFUND

1 CERTIFICATE THAT DESCRIBES THE TAXPAYER'S APPROVED PROJECT,  
2 INCLUDING THE INFORMATION REQUIRED UNDER SUBSECTION (3)(b)(II) OF  
3 THIS SECTION, AND SETS FORTH THE MAXIMUM AMOUNT OF INCOME TAX  
4 CREDITS THAT THE TAXPAYER MAY CLAIM AS A REFUND IN ACCORDANCE  
5 WITH THIS SECTION.

6 (c) IF A TAXPAYER RECEIVING A REFUND CERTIFICATE PURSUANT  
7 TO THIS SECTION IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S  
8 CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, THE TAXPAYER  
9 MAY ALLOCATE THE APPROVED MAXIMUM TOTAL AMOUNT OF CREDIT  
10 WHICH THE TAXPAYER MIGHT EARN AND USE TO CLAIM A REFUND IN  
11 CONNECTION WITH THE TAXPAYER'S PROJECT AMONG ITS INVESTORS IN  
12 ANY MANNER AGREED TO BY THE INVESTORS. THE TAXPAYER SHALL  
13 CERTIFY TO THE OFFICE THE AMOUNT OF CREDIT ALLOCATED TO EACH  
14 INVESTOR AND THE OFFICE SHALL ISSUE REFUND CERTIFICATES IN THE  
15 APPROPRIATE AMOUNTS TO EACH INVESTOR. EACH INVESTOR IS ALLOWED  
16 TO CLAIM A REFUND OF EIGHTY PERCENT OF THE AMOUNT OF THE CREDIT  
17 SUBJECT TO ANY RESTRICTIONS SET FORTH IN THIS SECTION.

18 (7) TO CLAIM A REFUND IN CONNECTION WITH AN APPROVED  
19 REFUND CERTIFICATE, A TAXPAYER MUST:

20 (a) COMMENCE THE PROJECT APPROVED BY THE COMMISSION IN  
21 THE REFUND CERTIFICATE BEFORE THE REFUND CERTIFICATE IS CANCELED,  
22 REVOKED, OR MODIFIED BY THE COMMISSION PURSUANT TO SUBSECTION  
23 (2)(c) OF THIS SECTION;

24 (b) EARN ONE OR MORE INCOME TAX CREDITS IN CONNECTION  
25 WITH THE APPROVED PROJECT IN ACCORDANCE WITH SECTION 39-30-104,  
26 39-30-105.1, 39-30-105.5, OR 39-22-531 (2) AND (3)(a)(I)(D), NOT LATER  
27 THAN TWELVE YEARS FROM THE DATE THE REFUND CERTIFICATE FOR THE

1 INCOME TAX CREDIT IS APPROVED BY THE COMMISSION;

2 (c) APPLY THE INCOME TAX CREDITS TO THE TAXPAYER'S STATE  
3 INCOME TAX LIABILITY, IF ANY, FOR THE INCOME TAX YEAR IN WHICH A  
4 REFUND IS CLAIMED;

5 (d) SUBMIT ALL REQUIRED RECORDS AND INFORMATION TO THE  
6 DEPARTMENT ON OR BEFORE THE DUE DATE, INCLUDING EXTENSIONS, FOR  
7 FILING THE TAXPAYER'S STATE INCOME TAX RETURN FOR THE INCOME TAX  
8 YEAR IN WHICH AN INCOME TAX CREDIT IN EXCESS OF THE AMOUNT  
9 APPLIED FOR PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION WILL BE  
10 REFUNDED, INCLUDING:

11 (I) ALL RECORDS AND INFORMATION NECESSARY TO CLAIM THE  
12 INCOME TAX CREDIT EARNED IN CONNECTION WITH THE TAXPAYER'S  
13 APPROVED PROJECT, INCLUDING THE REQUIRED CERTIFICATION UNDER  
14 SECTION 39-30-103 (7) OR 39-36-104 (5);

15 (II) THE REFUND CERTIFICATE ASSOCIATED WITH THE PROJECT  
16 THROUGH WHICH THE TAXPAYER EARNED THE INCOME TAX CREDIT AND  
17 THE AMOUNT OF THE CREDIT;

18 (III) A REFUND ELECTION STATEMENT ON A FORM PRESCRIBED BY  
19 THE DEPARTMENT; AND

20 (IV) ANY ADDITIONAL DOCUMENTATION REQUIRED BY SECTION  
21 39-36-106 (1)(b) OR OTHERWISE REQUIRED BY LAW;

22 (e) SUBJECT TO THE LIMITATION IN SUBSECTION (8) OF THIS  
23 SECTION, AGREE TO RECEIVE A REFUND OF THE EIGHTY PERCENT OF THE  
24 AMOUNT OF THE CREDIT REMAINING AFTER APPLYING THE CREDIT UNDER  
25 SUBSECTION (7)(c) OF THIS SECTION AND FORGO THE REMAINING TWENTY  
26 PERCENT OF THE AMOUNT CLAIMED AS A REFUND; AND

27 (8) A TAXPAYER MAY NOT CLAIM CUMULATIVE REFUNDS IN

1 EXCESS OF THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS THAT  
2 THE COMMISSION HAS APPROVED IN THE REFUND CERTIFICATE. ANY  
3 CREDIT EARNED IN EXCESS OF THE AMOUNT IN THE REFUND CERTIFICATE  
4 AND FORGONE UNDER SUBSECTION (7)(e) OF THIS SECTION IS RETAINED BY  
5 THE TAXPAYER AND MAY BE USED IN ACCORDANCE WITH THE STATUTE  
6 PURSUANT TO WHICH IT WAS EARNED.

7 (9) ON OR BEFORE SEPTEMBER 30, 2023, AND ON OR BEFORE  
8 SEPTEMBER 30 OF EACH CALENDAR YEAR THEREAFTER THROUGH  
9 SEPTEMBER 30, 2029, THE COMMISSION SHALL PROVIDE THE DEPARTMENT  
10 ALL RECORDS AND INFORMATION REQUIRED BY THE DEPARTMENT TO  
11 ESTABLISH THAT A TAXPAYER IS APPROVED TO CLAIM REFUNDABLE  
12 INCOME TAX CREDITS UP TO THE MAXIMUM TOTAL AMOUNT APPROVED BY  
13 THE COMMISSION IN CONNECTION WITH THE TAXPAYER'S PROJECT AS SET  
14 FORTH IN THE TAXPAYER'S REFUND CERTIFICATE FOR THE PRECEDING  
15 CALENDAR YEAR OR ANY FISCAL YEAR ENDING IN THE PRECEDING  
16 CALENDAR YEAR. THE REPORT MUST CONTAIN THE FOLLOWING  
17 INFORMATION FOR EACH TAXPAYER:

- 18 (a) THE TAXPAYER'S NAME;
- 19 (b) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL  
20 EMPLOYER IDENTIFICATION NUMBER;
- 21 (c) EACH INCOME TAX CREDIT TYPE FOR WHICH THE TAXPAYER  
22 MAY REQUEST A REFUND, AS IDENTIFIED PURSUANT TO SUBSECTION  
23 (3)(b)(I) OF THIS SECTION AND IN THE TAXPAYER'S REFUND CERTIFICATE;
- 24 (d) A DESCRIPTION OF THE TAXPAYER'S PROJECT, INCLUDING THE  
25 INFORMATION FROM SUBSECTION (3)(b)(II), APPROVED IN THE REFUND  
26 CERTIFICATE AS THE BASIS FOR THE TAXPAYER'S INCOME TAX CREDIT  
27 CLAIM; AND

1 (e) THE MAXIMUM TOTAL AMOUNT OF CREDIT THE TAXPAYER MAY  
2 USE TO CLAIM A REFUND PURSUANT TO THIS SECTION AS STATED IN THE  
3 REFUND CERTIFICATE.

4 (10) THE COMMISSION, IN CONSULTATION WITH THE OFFICE, MAY  
5 ESTABLISH ADDITIONAL POLICIES, PROCEDURES, REQUIREMENTS, AND  
6 GUIDELINES TO ADMINISTER THE APPLICATION PROCESS FOR AND  
7 APPROVAL OF REFUND CERTIFICATES PURSUANT TO THIS SECTION  
8 INCLUDING, BUT NOT LIMITED TO:

9 (a) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE  
10 APPROVED BY THE COMMISSION FOR A SINGLE TAXPAYER IN A GIVEN YEAR;

11 (b) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE  
12 APPROVED BY THE COMMISSION FOR A SINGLE TAXPAYER FOR MULTIPLE  
13 YEARS OR ALL YEARS FOR WHICH THE TAXPAYER HAS APPLIED FOR A  
14 REFUND CERTIFICATE;

15 (c) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE  
16 APPROVED BY THE COMMISSION FOR A SPECIFIED SEMICONDUCTOR OR  
17 ADVANCED MANUFACTURING ACTIVITY;

18 (d) THE ADOPTION OF NEW OR MODIFICATION OF EXISTING  
19 POLICIES, PROCEDURES, REQUIREMENTS, OR GUIDELINES TO ALIGN WITH  
20 FEDERAL STATUTES, REGULATIONS, OR GUIDELINES AS NEEDED TO  
21 FACILITATE TAXPAYER ELIGIBILITY FOR FEDERAL FINANCIAL ASSISTANCE  
22 UNDER ARPA, THE CHIPS ACT, AND OTHER SIMILAR FEDERAL  
23 LEGISLATION, INCLUDING BY ENSURING THAT THE TAX INCENTIVES  
24 AVAILABLE PURSUANT TO THIS SECTION QUALIFY AS "COVERED  
25 INCENTIVES" ACCORDING TO 15 U.S.C. SEC. 4651 (3); OR

26 (e) CONTINGENCIES THAT MUST BE SATISFIED BY THE TAXPAYER  
27 BEFORE THE TAXPAYER CAN OBTAIN A REFUND CERTIFICATE.

1 (11) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2045.

2 **SECTION 2.** In Colorado Revised Statutes, **add** 24-48.5-133 as  
3 follows:

4 **24-48.5-133. Advanced manufacturing and STEM industries**  
5 **task force - creation - duties - definition - repeal.** (1) AS USED IN THIS  
6 SECTION, UNLESS THE CONTEXT OTHER WISE REQUIRES:

7 (a) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT  
8 CREATED IN SECTION 24-48.5-101.

9 (b) "TASK FORCE" MEANS THE ADVANCED MANUFACTURING AND  
10 STEM INDUSTRIES TASK FORCE CREATED IN SUBSECTION (2)(a) OF THIS  
11 SECTION.

12 (2) (a) THE ADVANCED MANUFACTURING AND STEM INDUSTRIES  
13 TASK FORCE IS CREATED IN THE OFFICE. THE TASK FORCE CONSISTS OF THE  
14 FOLLOWING MEMBERS:

15 (I) TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES, ONE  
16 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE  
17 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF  
18 REPRESENTATIVES;

19 (II) TWO MEMBERS OF THE SENATE, ONE APPOINTED BY THE  
20 PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE MINORITY LEADER  
21 OF THE SENATE;

22 (III) TWO REPRESENTATIVES OF THE OFFICE WITH EXPERIENCE IN  
23 THE ADMINISTRATION OF THE ADVANCED INDUSTRIES ACCELERATION  
24 GRANT PROGRAM, CREATED IN SECTION 24-48.5-117 (3), OR OTHER  
25 BUSINESS FUNDING AND INCENTIVES, APPOINTED BY THE DIRECTOR OF THE  
26 OFFICE;

27 (IV) AT LEAST FOUR INDUSTRY REPRESENTATIVES FROM

1 BUSINESSSES SUPPORTED BY THE ADVANCED INDUSTRIES ACCELERATION  
2 GRANT PROGRAM, WHICH MAY INCLUDE ADVANCED MANUFACTURING,  
3 AEROSPACE, BIOSCIENCE, ELECTRONICS, ENERGY AND NATURAL  
4 RESOURCES, INFRASTRUCTURE ENGINEERING, OR TECHNOLOGY AND  
5 INFORMATION BUSINESSES, APPOINTED BY THE DIRECTOR OF THE OFFICE;  
6 AND

7 (V) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S DESIGNEE.

8 (b) MEMBERS OF THE TASK FORCE SHALL ELECT ONE MEMBER TO  
9 SERVE AS CHAIRPERSON.

10 (c) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT  
11 COMPENSATION OTHER THAN REIMBURSEMENT FOR REASONABLE AND  
12 ACTUAL EXPENSES INCURRED TO ATTEND MEETINGS.

13 (3) (a) THE TASK FORCE SHALL MEET AT LEAST TWICE DURING THE  
14 2023 INTERIM PERIOD TO:

15 (I) STUDY THE EFFECTIVENESS OF EXISTING FINANCIAL  
16 INCENTIVES, SUPPORT, RESOURCES, AND DEVELOPMENT STRATEGIES FOR  
17 ADVANCED MANUFACTURING AND OTHER SCIENCE, TECHNOLOGY,  
18 ENGINEERING, AND MATH (STEM) COMPANIES IN COLORADO;

19 (II) EXAMINE OTHER STATES' STATUTES, REGULATIONS, AND  
20 POLICIES INTENDED TO ATTRACT AND PROMOTE THE DEVELOPMENT OF  
21 ADVANCED MANUFACTURING AND OTHER STEM COMPANIES; AND

22 (III) IDENTIFY ANY RECOMMENDED LEGISLATION OR CHANGES IN  
23 ADMINISTRATIVE RULES OR POLICIES TO MAKE COLORADO'S ADVANCED  
24 MANUFACTURING AND OTHER STEM INDUSTRIES MORE NATIONALLY  
25 COMPETITIVE.

26 (b) THE TASK FORCE SHALL REPORT ITS FINDINGS TO THE GENERAL  
27 ASSEMBLY AND THE GOVERNOR IN ACCORDANCE WITH SECTION 24-1-136



1 (9). THE REPORT SHALL BE SUBMITTED NO LATER THAN DECEMBER 1,  
2 2023, AND SHALL CONTAIN THE TASK FORCE'S RECOMMENDATIONS FOR  
3 ALL ISSUES ON WHICH TWO-THIRDS OR MORE OF ITS MEMBERS AGREE. A  
4 MINORITY REPORT OF ANY ISSUES INCLUDED IN THE REPORT MUST BE  
5 INCLUDED AT THE REQUEST OF ONE OR MORE OF THE DISSENTING  
6 MEMBERS.

7 (c) THE OFFICE SHALL PROVIDE SUCH SERVICES AS THE TASK FORCE  
8 MAY REQUEST, INCLUDING:

9 (I) ADMINISTRATIVE ASSISTANCE, MEETING SPACE, AND OTHER  
10 NECESSARY FACILITIES AND SUPPORT SERVICES;

11 (II) POSTAGE AND PRINTING;

12 (III) ARRANGING FOR, COORDINATING, AND KEEPING RECORDS OF  
13 MEETINGS; AND

14 (IV) PREPARATION AND DISTRIBUTION OF NOTICES, AGENDAS,  
15 MINUTES, AND REPORTS.

16 (d) THE OFFICE MAY, IN THE DISCRETION OF THE DIRECTOR,  
17 CONTRACT WITH AN INDEPENDENT FACILITATOR TO SUPPORT THE TASK  
18 FORCE, INCLUDING BY ASSISTING IN DRAFTING THE REPORT REQUIRED BY  
19 SUBSECTION (3)(b) OF THIS SECTION.

20 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

21 **SECTION 3.** In Colorado Revised Statutes, 39-21-113, **amend**  
22 (22) as follows:

23 **39-21-113. Reports and returns - rule - repeal.**

24 (22) Notwithstanding the provisions of this section, the executive  
25 director shall supply the Colorado office of economic development with  
26 information relating to the actual amount of any enterprise zone tax credit  
27 claimed pursuant to article 30 of this title OR ANY CHIPS ZONE TAX

1 CREDIT CLAIMED PURSUANT TO ARTICLE 36 OF THIS TITLE as well as  
2 information submitted to and aggregated by the department pursuant to  
3 section 39-30-111 (2) and (3) AND SECTION 39-36-106 (1) AND (3)  
4 regarding the carryforward of such income tax credits. Any information  
5 provided to the office pursuant to this subsection (22) shall remain  
6 confidential, and all office employees shall be subject to the limitations  
7 set forth in subsection (4) of this section and the penalties contained in  
8 subsection (6) of this section. Nothing in this subsection (22) shall  
9 prevent the office from making aggregated data regarding enterprise zone  
10 AND CHIPS ZONE tax credits available.

11 SECTION 4. In Colorado Revised Statutes, 39-30-104, amend  
12 (2)(c)(I) introductory portion, (2)(c)(III)(A), and (2.5)(a)(I) as follows:

13 **39-30-104. Credit against tax - investment in certain property**  
14 **- definitions.** (2) (c) (I) For income tax years commencing on or after  
15 January 1, 2014, except as provided in subparagraph (H) of this paragraph  
16 (e) SECTION 24-46-108 AND SUBSECTION (2)(c)(II) OF THIS SECTION, the  
17 amount that may be claimed by a taxpayer for an income tax year AND  
18 THAT IS NOT APPLIED OR REFUNDED UNDER SECTION 24-46-108 is limited  
19 to the lesser of:

20 (III) (A) Except as otherwise provided in sections ~~24-46-104.3~~  
21 ~~and 24-46-107~~ SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108 and  
22 subsection (2)(c)(III)(B) of this section, any excess credit allowed  
23 pursuant to this subsection (2)(c) shall be an investment tax credit  
24 carryover to each of the fourteen income tax years following the unused  
25 credit year.

26 (2.5) (a) (I) Notwithstanding section 39-22-507.5 (7)(b), except  
27 as provided in section ~~24-46-107~~ SECTIONS 24-46-107 AND 24-46-108,

1 and except as otherwise provided in subsections (2.5)(a)(II) and (2.5)(b)  
2 of this section, any excess credit allowed pursuant to this section AND NOT  
3 APPLIED OR REFUNDED UNDER SECTION 24-46-108 shall be an investment  
4 tax credit carryover to each of the twelve income tax years following the  
5 unused credit year.

6 **SECTION 5.** In Colorado Revised Statutes, 39-30-105.1, **amend**  
7 (4)(a)(I) and (4)(a)(II) as follows:

8 **39-30-105.1. Credit for new enterprise zone business**  
9 **employees - definitions.** (4) (a) (I) Except as provided in ~~sections~~  
10 ~~24-46-104.3 and 24-46-107~~ SECTIONS 24-46-104.3, 24-46-107, AND  
11 24-46-108, for any income tax year commencing on or after January 1,  
12 2014, if the total amount of the credits claimed by a taxpayer pursuant to  
13 subsections (1)(a)(I), (1)(b), and (3)(a) of this section exceeds the amount  
14 of income taxes due on the income of the taxpayer in the income tax year  
15 for which the credits are being claimed, the amount of the credits not used  
16 as an offset against income taxes in said income tax year ~~is not allowed~~  
17 ~~as a refund but~~ OR REFUNDED UNDER SECTION 24-46-108 may be carried  
18 forward as a credit against subsequent years' tax liability for a period not  
19 exceeding five years and is applied first to the earliest income tax years  
20 possible. Any amount of the credit that is not used during said period is  
21 not refundable to the taxpayer.

22 (II) Except as provided in ~~sections 24-46-104.3 and 24-46-107~~  
23 SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108 for any income tax  
24 year commencing on or after January 1, 2014, if the total amount of  
25 credits claimed by a taxpayer pursuant to subsections (1)(a)(II) and (3)(b)  
26 of this section exceeds the amount of income taxes due on the income of  
27 the taxpayer in the income tax year for which the credits are being

1 claimed, the amount of credits not used as an offset against income taxes  
2 in said income tax year ~~is not allowed as a refund but~~ AND NOT USED TO  
3 CLAIM A REFUND UNDER SECTION 24-46-108 may be carried forward as a  
4 credit against subsequent years' tax liability for a period not exceeding  
5 seven years and is applied first to the earliest income tax years possible.  
6 Any amount of the credit that is not used during said period is not  
7 refundable to the taxpayer.

8 **SECTION 6.** In Colorado Revised Statutes, 39-30-105.5, **amend**  
9 (2) introductory portion as follows:

10 **39-30-105.5. Credit against Colorado income taxes based on**  
11 **expenditures for research and experimental activities.** (2) Except as  
12 provided in ~~section 24-46-104.3~~ SECTIONS 24-46-104.3 AND 24-46-108,  
13 in any one tax year, the amount of such credit allowable for deduction  
14 from the taxpayer's tax liability AND NOT APPLIED OR REFUNDED UNDER  
15 SECTION 24-46-108 shall be the total of:

16 **SECTION 7.** In Colorado Revised Statutes, **add** article 36 to title  
17 39 as follows:

18 **ARTICLE 36**

19 **CHIPS Zone Act**

20 **39-36-101. Short title.** THE SHORT TITLE OF THIS ACT IS THE  
21 "CHIPS ZONE ACT".

22 **39-36-102. Tax preference performance statement - legislative**  
23 **declaration.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

24 (a) SEMICONDUCTORS, OR CHIPS, ARE TINY ELECTRONIC DEVICES  
25 THAT ARE FUNDAMENTAL TO MODERN INDUSTRIAL AND NATIONAL  
26 SECURITY ACTIVITIES. THESE DEVICES POWER TOOLS AS SIMPLE AS A LIGHT  
27 SWITCH AND AS COMPLEX AS A FIGHTER JET OR A SMARTPHONE.

1 SEMICONDUCTORS ARE ALSO ESSENTIAL BUILDING BLOCKS IN EMERGING  
2 TECHNOLOGIES SUCH AS ARTIFICIAL INTELLIGENCE, 5G COMMUNICATIONS,  
3 AND QUANTUM COMPUTING.

4 (b) IN 2022, THE FEDERAL GOVERNMENT ENACTED THE "CREATING  
5 HELPFUL INCENTIVES FOR PRODUCING SEMICONDUCTORS AND SCIENCE  
6 ACT", OR "CHIPS AND SCIENCE ACT", PROVIDING FOR OVER FIFTY BILLION  
7 DOLLARS TO BE EXPENDED IN STRENGTHENING AND REVITALIZING THE  
8 COUNTRY'S POSITION IN SEMICONDUCTOR RESEARCH, DEVELOPMENT, AND  
9 MANUFACTURING;

10 (c) THE "CHIPS AND SCIENCE ACT" IS EXPECTED TO UNLOCK  
11 HUNDREDS OF BILLIONS OF DOLLARS OF PRIVATE SECTOR SEMICONDUCTOR  
12 INVESTMENT ACROSS THE COUNTRY;

13 (d) ENACTMENT OF A SEMICONDUCTOR MANUFACTURING ZONE, OR  
14 CHIPS ZONE, PROGRAM OF TAX INCENTIVES WILL MAXIMIZE THE  
15 OPPORTUNITY FOR COLORADO BUSINESSES TO DRAW DOWN FEDERAL  
16 DOLLARS UNDER THE CHIPS ACT AND CAPTURE SOME OF THE BILLIONS OF  
17 DOLLARS OF PRIVATE FUNDS EXPECTED TO BE SPENT IN GROWING THE  
18 COUNTRY'S SEMICONDUCTOR MANUFACTURING INDUSTRY;

19 (e) THE THREE TAX CREDITS AVAILABLE UNDER THE PROGRAM,  
20 FOR QUALIFIED INVESTMENTS, BUSINESS FACILITY EMPLOYEES, AND  
21 EXPENDITURES IN RESEARCH AND EXPERIMENTAL ACTIVITIES WILL  
22 ENCOURAGE INVESTMENT TO EXPAND COLORADO'S SEMICONDUCTOR  
23 MANUFACTURING CAPACITY AND MAKE COLORADO A NEW CENTER FOR  
24 INNOVATION AND RESEARCH IN THIS CRITICAL INDUSTRY;

25 (f) INVESTING IN SEMICONDUCTOR MANUFACTURERS IN THIS  
26 MANNER ALSO MEANS INVESTING IN COLORADO WORKERS, AS GROWTH IN  
27 THE SEMICONDUCTOR MANUFACTURING SECTOR WILL NECESSARILY

1 RESULT IN THE CREATION AND RETENTION OF HIGH-SKILLED,  
2 WELL-COMPENSATED MANUFACTURING JOBS IN THE STATE;

3 (g) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
4 REQUIRES ANY BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
5 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
6 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER DECLARES  
7 THAT:

8 (I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDITS  
9 ALLOWED BY THIS ARTICLE 36 ARE:

10 (A) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;

11 (B) TO IMPROVE INDUSTRY COMPETITIVENESS; AND

12 (C) TO CREATE OR RETAIN JOBS.

13 (II) THE SPECIFIC LEGISLATIVE PURPOSES OF THE TAX CREDITS  
14 ALLOWED BY THIS ARTICLE 36 ARE:

15 (A) TO IMPROVE THE COMPETITIVENESS OF COLORADO'S  
16 SEMICONDUCTOR MANUFACTURING INDUSTRY;

17 (B) TO INDUCE INVESTMENT IN NEW AND EXISTING  
18 SEMICONDUCTOR MANUFACTURING BUSINESSES IN THE STATE; AND

19 (C) TO CREATE WELL-PAYING JOBS IN THE PRIVATE SECTOR AS A  
20 RESULT OF SUCH INVESTMENT; AND

21 (III) THE TAX CREDIT CERTIFICATION FORMS REQUIRED FROM  
22 TAXPAYERS TO BE EXECUTED BY THE CHIPS ZONE ADMINISTRATOR  
23 PURSUANT TO SECTION 39-36-104 (5), THE ANNUAL REPORTS THAT THE  
24 ZONE ADMINISTRATOR IS REQUIRED TO MAKE TO THE COLORADO  
25 ECONOMIC DEVELOPMENT COMMISSION PURSUANT TO SECTION 39-36-104  
26 (3)(b), AND THE ANNUAL REPORTS THAT THE DIRECTOR OF THE COLORADO  
27 OFFICE OF ECONOMIC DEVELOPMENT MUST MAKE TO THE GENERAL

1 ASSEMBLY AND THE LEGISLATIVE AUDIT COMMITTEE UNDER SECTION  
2 39-36-104 (3)(c), WILL PROVIDE OBJECTIVE ECONOMIC DEVELOPMENT  
3 DATA POINTS THAT WILL ALLOW THE GENERAL ASSEMBLY AND THE STATE  
4 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CHIPS ZONE TAX  
5 CREDITS.

6 **39-36-103. Definitions.** (1) AS USED IN THIS ARTICLE 36, UNLESS  
7 THE CONTEXT OTHERWISE REQUIRES:

8 (a) "CERTIFICATION" MEANS THE WRITTEN TAX CREDIT  
9 CERTIFICATE DOCUMENTING A TAXPAYER'S INCOME TAX CREDIT CLAIM  
10 PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR 39-30-105.5 AND THE  
11 ESTIMATED VALUE OF EACH CREDIT CERTIFIED BY THE CHIPS ZONE  
12 ADMINISTRATOR, FOR WHICH THE TAXPAYER RECEIVED PRECERTIFICATION  
13 IN ACCORDANCE WITH SECTION 39-36-104 (5)(b).

14 (b) "CHIPS ACT" MEANS THE FEDERAL "CREATING HELPFUL  
15 INCENTIVES TO PRODUCE SEMICONDUCTORS AND SCIENCE ACT OF 2022",  
16 PUB.L. 117-167, AS AMENDED.

17 (c) "CHIPS ZONE" MEANS A SEMICONDUCTOR MANUFACTURING  
18 ZONE APPROVED BY THE COMMISSION PURSUANT TO SECTION 39-36-104  
19 (2)(a).

20 (d) "COMMISSION" MEANS THE COLORADO ECONOMIC  
21 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 (1).

22 (e) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF  
23 REVENUE.

24 (f) "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.

25 (g) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
26 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

27 (h) "PRECERTIFICATION" MEANS THE WRITTEN PRECERTIFICATION

1 OF A TAXPAYER'S PROPOSED PROJECT AND ANY RELATED INCOME TAX  
2 CREDIT CLAIMS PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR  
3 39-30-105.5, BY THE CHIPS ZONE ADMINISTRATOR IN RELIANCE ON THE  
4 TAXPAYER'S REPRESENTATIONS PURSUANT TO SECTION 39-36-104 (5)(a).

5 (i) "REFUND CERTIFICATE" HAS THE SAME MEANING AS SET FORTH  
6 IN SECTION 24-46-108 (1)(h).

7 (j) "SEMICONDUCTOR MANUFACTURING" HAS THE SAME MEANING  
8 AS SET FORTH IN SECTION 24-46-108 (1)(i).

9 (k) "TAXPAYER" MEANS A PERSON ENGAGED IN SEMICONDUCTOR  
10 MANUFACTURING THAT IS SUBJECT TO TAX UNDER ARTICLE 22 OF THIS  
11 TITLE 39.

12 **39-36-104. Zones established - zone administrator - review -**  
13 **termination.** (1) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
14 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2036, ANY MUNICIPALITY,  
15 COUNTY, OR GROUP OF CONTIGUOUS MUNICIPALITIES OR COUNTIES MAY  
16 PROPOSE AN AREA OF SUCH MUNICIPALITY, COUNTY, OR GROUP OF  
17 MUNICIPALITIES OR COUNTIES TO BE DESIGNATED AS A CHIPS ZONE IN  
18 ACCORDANCE WITH THE POLICIES AND PROCEDURES ESTABLISHED BY THE  
19 OFFICE AND PURSUANT TO THIS ARTICLE 36.

20 (b) TO PROPOSE AN AREA FOR DESIGNATION AS A CHIPS ZONE, A  
21 LOCAL GOVERNMENT SHALL SUBMIT A DEVELOPMENT PLAN TO THE  
22 DIRECTOR. THE PLAN MUST INCLUDE THE FOLLOWING ITEMS:

23 (I) THE BOUNDARIES OF THE PROPOSED ZONE;

24 (II) THE PROPOSED ZONE'S POTENTIAL FOR SEMICONDUCTOR  
25 MANUFACTURING BUSINESS DEVELOPMENT AND JOB CREATION;

26 (III) HOW THE PROPOSED ZONE WILL SUPPORT AND BE CONSISTENT  
27 WITH MAINTENANCE OF THE AREA'S ECONOMY; AND



1 (IV) ANY OTHER PERTINENT INFORMATION THE DIRECTOR OR THE  
2 COMMISSION MAY REQUIRE, WHICH MAY INCLUDE INFORMATION RELATED  
3 TO LOCAL PLANNING, CAPACITY, AND INFRASTRUCTURE.

4 (2) (a) THE COMMISSION, AFTER CONSULTATION WITH THE OFFICE,  
5 MAY APPROVE THE DESIGNATION OF A CHIPS ZONE.

6 (b) ALL DECISIONS CONCERNING THE DESIGNATION OR  
7 TERMINATION OF A CHIPS ZONE OR ANY PORTION OF A CHIPS ZONE  
8 SHALL BE MADE BY THE COMMISSION UPON THE RECOMMENDATION OF THE  
9 OFFICE.

10 (3) (a) THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, SHALL SERVE  
11 AS THE ZONE ADMINISTRATOR FOR ALL APPROVED CHIPS ZONES. THE  
12 COMMISSION SHALL WORK WITH THE ZONE ADMINISTRATOR TO ENSURE  
13 THAT EACH ZONE HAS ECONOMIC DEVELOPMENT OBJECTIVES WITH  
14 OUTCOMES THAT CAN BE MEASURED.

15 (b) THE ZONE ADMINISTRATOR SHALL SUBMIT AN ANNUAL REPORT  
16 TO THE COMMISSION SUMMARIZING THE ZONE ADMINISTRATOR'S REVIEW  
17 OF DOCUMENTATION, INCLUDING THE MOST RECENT STATISTICS  
18 AVAILABLE FOR TAXPAYERS CLAIMING CHIPS ZONE CREDITS, ON:

19 (I) THE NUMBER OF SEMICONDUCTOR MANUFACTURING JOBS  
20 CREATED IN THE ZONE;

21 (II) THE NUMBER OF SUCH JOBS RETAINED IN THE ZONE;

22 (III) THE AVERAGE ANNUAL COMPENSATION LEVEL, INCLUDING  
23 BENEFITS, OF THE SEMICONDUCTOR MANUFACTURING JOBS CREATED OR  
24 RETAINED WITHIN THE ZONE;

25 (IV) AN ANALYSIS OF CAPITAL INVESTMENT IN THE ZONE,  
26 INCLUDING THE AMOUNT OF INVESTMENT IN QUALIFYING PROPERTY FOR  
27 WHICH TAX CREDITS ARE CLAIMED PURSUANT TO SECTION 39-30-104;

1 (V) THE NUMBER OF BUSINESS FACILITY EMPLOYEES FOR WHICH  
2 TAX CREDITS ARE CLAIMED PURSUANT TO SECTION 39-30-105.1;

3 (VI) THE AMOUNT OF INVESTMENT TAX CREDITS CLAIMED  
4 PURSUANT TO SECTION 39-30-104 AND THE AMOUNT OF CREDITS FOR  
5 EMPLOYEES CLAIMED PURSUANT TO SECTION 39-30-105.1;

6 (VII) THE NUMBER AND AMOUNT OF TAX CREDITS BASED ON  
7 EXPENDITURES FOR RESEARCH AND EXPERIMENTAL ACTIVITIES CLAIMED  
8 PURSUANT TO SECTION 39-30-105.5; AND

9 (VIII) ANY OTHER INFORMATION REASONABLY REQUIRED BY THE  
10 COMMISSION TO EVALUATE THE EFFECTIVENESS OF EACH ZONE IN  
11 ACCOMPLISHING THE ECONOMIC OBJECTIVES OF THE ZONE.

12 (c) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136  
13 (11)(a)(I), THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, ON BEHALF OF  
14 THE COMMISSION, SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL  
15 ASSEMBLY ON OR BEFORE NOVEMBER 1, 2023, AND ON OR BEFORE  
16 NOVEMBER 1 OF EACH CALENDAR YEAR THEREAFTER THROUGH  
17 NOVEMBER 1, 2036, SUMMARIZING THE INFORMATION SUBMITTED BY THE  
18 ZONE ADMINISTRATOR TO THE COMMISSION EACH YEAR PURSUANT TO  
19 SUBSECTION (3)(b) OF THIS SECTION. THE DIRECTOR, OR THE DIRECTOR'S  
20 DESIGNEE, ON BEHALF OF THE COMMISSION SHALL MAKE AN ANNUAL  
21 PRESENTATION TO THE LEGISLATIVE AUDIT COMMITTEE THAT REVIEWS  
22 AND SUMMARIZES THE INFORMATION IN THE REPORT SUBMITTED TO THE  
23 GENERAL ASSEMBLY PURSUANT TO THIS SUBSECTION (3)(c).

24 (d) THE STATE AUDITOR SHALL SUBMIT A REPORT TO THE  
25 GOVERNOR AND THE GENERAL ASSEMBLY, AT THE DISCRETION OF THE  
26 STATE AUDITOR AND THE LEGISLATIVE AUDIT COMMITTEE, EVALUATING  
27 THE IMPLEMENTATION OF THE CHIPS ZONE PROGRAM, MAKING

1 RECOMMENDATIONS FOR STATUTORY CHANGES, IF ANY, AND INCLUDING  
2 ANY INFORMATION REQUESTED BY THE GOVERNOR OR THE GENERAL  
3 ASSEMBLY. THE EVALUATION MUST BE BASED UPON THE DATA INCLUDED  
4 IN THE ANNUAL REPORT SUBMITTED BY THE DIRECTOR ON BEHALF OF THE  
5 COMMISSION TO THE GENERAL ASSEMBLY PURSUANT TO SUBSECTION  
6 (3)(c) OF THIS SECTION AND OBJECTIVE, VERIFIABLE DATA SUBMITTED BY  
7 THE ZONE ADMINISTRATOR AND MAINTAINED BY THE OFFICE OR OBTAINED  
8 FROM THE DEPARTMENT. THE REPORT MUST ALSO INCLUDE INFORMATION  
9 CONCERNING THE NUMBER AND AMOUNT OF TAX CREDITS CLAIMED AND  
10 ALLOWED UNDER THE PROGRAM. FOR PURPOSES OF PREPARING THE  
11 REPORT REQUIRED BY THIS SUBSECTION (3)(d), THE STATE AUDITOR SHALL  
12 HAVE ACCESS TO ALL RECORDS AND DOCUMENTS APPLICABLE TO THE  
13 PROGRAM, WHETHER MAINTAINED BY THE COMMISSION, OFFICE, LOCAL  
14 GOVERNMENTS, OR THE ZONE ADMINISTRATOR.

15 (e) TAXPAYERS CLAIMING CHIPS ZONE CREDITS SHALL PROVIDE  
16 INFORMATION REASONABLY REQUIRED BY THE ZONE ADMINISTRATOR, THE  
17 OFFICE, OR THE COMMISSION TO EVALUATE THE EFFECTIVENESS OF EACH  
18 ZONE IN ACCOMPLISHING THE MEASURABLE ECONOMIC DEVELOPMENT  
19 OBJECTIVES TO BE ACHIEVED IN THE ZONE.

20 (4)(a) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (5) OF THIS  
21 SECTION, EVERY TAXPAYER THAT PERFORMS AN ACT IN A CHIPS ZONE  
22 THAT WOULD QUALIFY FOR THE INCOME TAX CREDIT UNDER SECTION  
23 39-30-104, 39-30-105.1, OR 39-30-105.5 IF THE ACT WAS PERFORMED IN  
24 AN ENTERPRISE ZONE, CREATED PURSUANT TO SECTION 39-30-103 OR  
25 39-30-103.2, IS ALLOWED THE CREDIT PURSUANT TO THE CORRESPONDING  
26 SECTION AND THIS ARTICLE 36 WITH RESPECT TO THAT ACT.

27 (b) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION OR

1 ANY OTHER PROVISION IN THIS ARTICLE 36, A TAXPAYER MAY NOT CLAIM  
2 AN INCOME TAX CREDIT PURSUANT TO THIS ARTICLE 36 FOR PERFORMING  
3 AN ACT IN AN ENTERPRISE ZONE FOR WHICH THE TAXPAYER IS ALLOWED  
4 TO CLAIM AN INCOME TAX CREDIT PURSUANT TO ARTICLE 30 OF THIS TITLE  
5 39.

6 (5) (a) BEFORE A TAXPAYER ENGAGES IN ANY ACTIVITY IN A  
7 CHIPS ZONE FOR WHICH THE TAXPAYER INTENDS TO CLAIM AN INCOME  
8 TAX CREDIT PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR  
9 39-30-105.5, AN AUTHORIZED COMPANY OFFICIAL OF THE TAXPAYER'S  
10 BUSINESS OR THE TAXPAYER WHO IS THE OWNER OF THE BUSINESS MUST  
11 SUBMIT A PRECERTIFICATION FORM TO THE CHIPS ZONE ADMINISTRATOR  
12 AS SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION IN ACCORDANCE WITH  
13 THE PRECERTIFICATION PROCESS SET FORTH IN SECTION 39-30-103 (7).

14 (b) (I) A TAXPAYER THAT ENGAGES IN AN ACTIVITY IN A CHIPS  
15 ZONE THAT WAS PRECERTIFIED PURSUANT TO SUBSECTION (5)(a) OF THIS  
16 SECTION FOR WHICH THE TAXPAYER INTENDS TO CLAIM AN INCOME TAX  
17 CREDIT PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR 39-30-105.5,  
18 MUST SUBMIT TO THE CHIPS ZONE ADMINISTRATOR ALL NECESSARY  
19 RECORDS AND INFORMATION TO ESTABLISH THAT THE TAXPAYER IS  
20 ENTITLED TO THE INCOME TAX CREDIT AND ALL DOCUMENTATION  
21 REQUIRED TO BE INCLUDED IN THE CHIPS ZONE ADMINISTRATOR'S  
22 ANNUAL REPORT PURSUANT TO SUBSECTIONS (3)(b)(I) THROUGH  
23 (3)(b)(VII) OF THIS SECTION.

24 (II) THE CHIPS ZONE ADMINISTRATOR, TAKING INTO  
25 CONSIDERATION THE ECONOMIC DEVELOPMENT OBJECTIVES ESTABLISHED  
26 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION FOR THE ZONE IN WHICH  
27 THE TAXPAYER ENGAGED IN THE ACTIVITY TO BE CERTIFIED, SHALL

1 APPROVE OR DENY THE TAXPAYER'S CERTIFICATION REQUEST IN WRITING  
2 WITHIN THIRTY DAYS OF ITS SUBMISSION.

3 (c) A TAXPAYER SHALL SUBMIT THE APPROVED CERTIFICATION  
4 FROM THE CHIPS ZONE ADMINISTRATOR, INCLUDING ALL INFORMATION  
5 REQUIRED UNDER SUBSECTIONS (5)(a) AND (5)(b) OF THIS SECTION, ALONG  
6 WITH ANY ADDITIONAL DOCUMENTATION REQUIRED UNDER SECTION  
7 39-36-106 (1)(b) OR OTHERWISE REQUIRED BY LAW, TO THE DEPARTMENT  
8 NO LATER THAN THE DUE DATE, INCLUDING EXTENSIONS, FOR FILING THE  
9 TAXPAYER'S STATE INCOME TAX RETURN FOR THE TAX YEAR IN WHICH A  
10 TAX CREDIT ALLOWED UNDER THIS ARTICLE 36 IS CLAIMED.

11 (6) (a) NOTWITHSTANDING SUBSECTION (2)(b) OF THIS SECTION,  
12 ALL CHIPS ZONES APPROVED BY THE COMMISSION PURSUANT TO  
13 SUBSECTION (2)(a) OF THIS SECTION, TERMINATE AUTOMATICALLY ON  
14 DECEMBER 31, 2040.

15 (b) A TAXPAYER THAT COMPLETES AN ACTIVITY IN A CHIPS ZONE  
16 THAT WAS PRECERTIFIED PURSUANT TO SUBSECTION (5)(a) OF THIS  
17 SECTION PRIOR TO THE DATE OF TERMINATION OF THE CHIPS ZONE UNDER  
18 SUBSECTION (6)(a) OF THIS SECTION MAY SEEK CERTIFICATION TO CLAIM  
19 AN INCOME TAX CREDIT PURSUANT TO SECTION 39-30-104 OR 39-30-105.1  
20 IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 39-30-103  
21 (6)(a). NOTHING IN THIS SUBSECTION (6)(b) AUTHORIZES THE COMMISSION  
22 TO GRANT TAX BENEFITS THAT HAVE BEEN REPEALED BY THE GENERAL  
23 ASSEMBLY OR TO GRANT TAX BENEFITS IN EXCESS OF THE LIMITS OF  
24 ESTABLISHED LAW.

25 **39-36-105. Electronic submissions - certification data to**  
26 **department of revenue.** (1) (a) ON OR BEFORE SEPTEMBER 1, 2023, AND  
27 ON OR BEFORE SEPTEMBER 1 OF EACH CALENDAR YEAR THEREAFTER

1 THROUGH SEPTEMBER 1, 2035, THE DIRECTOR, OR THE DIRECTOR'S  
2 DESIGNEE, SHALL TRANSMIT TO THE DEPARTMENT DATA REGARDING  
3 INCOME TAX CREDITS ALLOWED PURSUANT TO THIS ARTICLE 36 THAT ARE  
4 CERTIFIED BY THE CHIPS ZONE ADMINISTRATOR FROM JANUARY 1  
5 THROUGH JUNE 30 OF THE SAME CALENDAR YEAR.

6 (b) ON OR BEFORE MARCH 31, 2024, AND ON OR BEFORE MARCH  
7 31 OF EACH CALENDAR YEAR THEREAFTER THROUGH MARCH 31, 2036,  
8 THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, SHALL TRANSMIT TO THE  
9 DEPARTMENT DATA REGARDING INCOME TAX CREDITS ALLOWED  
10 PURSUANT TO THIS ARTICLE 36 THAT ARE CERTIFIED BY THE CHIPS ZONE  
11 ADMINISTRATOR FROM JULY 1 THROUGH DECEMBER 31 OF THE PREVIOUS  
12 CALENDAR YEAR.

13 (c) THE DATA REQUIRED TO BE TRANSMITTED BY THE DIRECTOR,  
14 OR THE DIRECTOR'S DESIGNEE, TO THE DEPARTMENT UNDER SUBSECTIONS  
15 (2)(a) AND (2)(b) MUST BE IN THE FORM OF ELECTRONIC REPORTS THAT  
16 INCLUDE THE FOLLOWING INFORMATION:

17 (I) THE TAXPAYER'S NAME;

18 (II) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL  
19 EMPLOYER IDENTIFICATION NUMBER;

20 (III) THE TYPE AND AMOUNT OF EACH INCOME TAX CREDIT  
21 ALLOWED UNDER THIS ARTICLE 36 AND CERTIFIED BY THE CHIPS ZONE  
22 ADMINISTRATOR FOR THE TAXPAYER FOR THE TAX YEAR; AND

23 (IV) ANY ASSOCIATED TAXPAYERS' NAMES, COLORADO ACCOUNT  
24 NUMBERS, AND FEDERAL EMPLOYER IDENTIFICATION NUMBERS OR SOCIAL  
25 SECURITY NUMBERS IF THE CREDIT ALLOWED UNDER THIS ARTICLE 36 IS  
26 ALLOCATED FROM A PASS-THROUGH ENTITY TO ITS PARTNERS,  
27 SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT TAXPAYERS.

1           **39-36-106. Department of revenue - electronic filings - report**

2   **- rules.** (1) (a) FOR THE 2023 INCOME TAX YEAR AND EACH INCOME TAX  
3   YEAR THEREAFTER THROUGH THE 2035 INCOME TAX YEAR, ANY TAXPAYER  
4   THAT CLAIMS ONE OR MORE INCOME TAX CREDITS PURSUANT TO THIS  
5   ARTICLE 36 SHALL FILE A STATE INCOME TAX RETURN WITH THE  
6   DEPARTMENT IN AN ELECTRONIC FORMAT.

7           (b) A TAXPAYER MUST SUBMIT THE ELECTRONIC STATE INCOME  
8   TAX RETURN REQUIRED UNDER SUBSECTION (1)(a) OF THIS SECTION  
9   TOGETHER WITH:

10           (I) A CERTIFICATION FORM EXECUTED BY THE CHIPS ZONE  
11   ADMINISTRATOR PURSUANT TO SECTION 39-36-104 (5)(b) FOR EACH  
12   INCOME TAX CREDIT CLAIMED PURSUANT TO THIS ARTICLE 36;

13           (II) ANY WAIVER CERTIFICATE ISSUED BY THE COMMISSION TO THE  
14   TAXPAYER UNDER SECTION 39-30-104 (2)(c)(III)(B) WAIVING THE LIMIT  
15   ON THE AMOUNT OF THE TAXPAYER'S QUALIFIED INVESTMENT TAX CREDIT  
16   FOR THE INCOME TAX YEAR;

17           (III) A REFUND ELECTION STATEMENT ON A FORM PRESCRIBED BY  
18   THE DEPARTMENT FOR EACH TAX CREDIT CLAIMED PURSUANT TO THIS  
19   ARTICLE 36 FOR WHICH THE TAXPAYER ELECTS TO RECEIVE A REFUND  
20   PURSUANT TO SECTION 24-46-108;

21           (IV) A REFUND CERTIFICATE ISSUED BY THE COMMISSION TO THE  
22   TAXPAYER UNDER SECTION 24-46-108 APPROVING EACH INCOME TAX  
23   CREDIT CLAIMED PURSUANT TO THIS ARTICLE 36 FOR WHICH THE  
24   TAXPAYER ELECTS TO RECEIVE A REFUND; AND

25           (V) A CARRYFORWARD SCHEDULE INCLUDING THE TYPE AND  
26   AMOUNT OF EACH INCOME TAX CREDIT CLAIMED PURSUANT TO THIS  
27   ARTICLE 36 THAT THE TAXPAYER INTENDS TO USE IN A SUBSEQUENT TAX

1 YEAR.

2 (2) THE DOCUMENTS REQUIRED UNDER SUBSECTION (1)(b) OF THIS  
3 SECTION MUST BE FILED WITH THE DEPARTMENT NOT LATER THAN THE DUE  
4 DATE, INCLUDING EXTENSIONS, FOR FILING THE TAXPAYER'S STATE INCOME  
5 TAX RETURN FOR THE INCOME TAX YEAR IN WHICH THE INCOME TAX  
6 CREDITS ARE CLAIMED PURSUANT TO THIS ARTICLE 36.

7 (3) (a) FOR THE 2023 INCOME TAX YEAR AND EACH INCOME TAX  
8 YEAR THEREAFTER THROUGH THE 2035 INCOME TAX YEAR, THE  
9 DEPARTMENT SHALL AGGREGATE AND REPORT DATA ON ALL OF THE  
10 INCOME TAX CREDITS THAT ARE CLAIMED PURSUANT TO THIS ARTICLE 36  
11 FOR EACH INCOME TAX YEAR. THE DEPARTMENT SHALL CATEGORIZE SUCH  
12 AGGREGATED DATA BY THE DATE THAT THE INCOME TAX CREDIT WAS  
13 CERTIFIED BY THE CHIPS ZONE ADMINISTRATOR, THE SPECIFIC INCOME  
14 TAX CREDIT ALLOWED PURSUANT TO THIS ARTICLE 36 THAT EACH  
15 TAXPAYER WAS AUTHORIZED TO CLAIM, AND THE TOTAL AMOUNT OF THE  
16 INCOME TAX CREDITS CLAIMED FOR EACH INCOME TAX CREDIT ALLOWED  
17 PURSUANT TO THIS ARTICLE 36.

18 (b) THE DEPARTMENT SHALL SUBMIT THE DATA COLLECTED  
19 PURSUANT TO SUBSECTION (1)(b)(V) OF THIS SECTION AND THE DATA  
20 AGGREGATED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION TO THE  
21 OFFICE ON AUGUST 1, 2023, AND ON AUGUST 1 EACH YEAR THEREAFTER  
22 THROUGH AUGUST 1, 2036.

23 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, IN  
24 CONSULTATION WITH THE COMMISSION AND THE OFFICE, MAY  
25 PROMULGATE RULES AS NECESSARY FOR THE DEPARTMENT TO ADMINISTER  
26 AND ENFORCE ANY PROVISIONS OF THIS ARTICLE 36.

27 **39-36-107. Repeal of article.** THIS ARTICLE 36 IS REPEALED,



1 EFFECTIVE JANUARY 1, 2041.

2 **SECTION 8.** In Colorado Revised Statutes, 39-22-531, **amend**  
3 (6); and **add** (3)(a)(I)(D) as follows:

4 **39-22-531. Colorado job growth incentive tax credit - rules -**  
5 **definitions - repeal.**

6 (3) (a) (I) (D) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
7 JANUARY 1, 2024, BUT PRIOR TO JANUARY 1, 2029, IF THE PROJECT  
8 CONSTITUTES ADVANCED MANUFACTURING, AS DEFINED IN SECTION  
9 24-46-108 (1)(a), OR SEMICONDUCTOR MANUFACTURING, AS DEFINED IN  
10 SECTION 24-46-108 (1)(i), THE PROJECT MUST BRING A NET JOB GROWTH  
11 OF AT LEAST TWENTY JOBS TO THE STATE WITH AN AVERAGE YEARLY  
12 WAGE OF SEVENTY-FIVE PERCENT OR SUCH GREATER AMOUNT OF THE  
13 AVERAGE YEARLY WAGE OF THE COUNTY IN WHICH THE TAXPAYER IS  
14 LOCATED, AS THE COMMISSION DEEMS PROPER UNDER ITS DISCRETION.

15 (6) Except as provided in ~~sections 24-46-104.3 and 24-46-107~~  
16 SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108, if the amount of the  
17 credit allowed in this section exceeds the amount of income taxes  
18 otherwise due on the taxpayer's income in the income tax year for which  
19 the credit is being claimed, the amount of the credit not used as an offset  
20 against income taxes in the current income tax year AND NOT USED TO  
21 CLAIM A REFUND PURSUANT TO SECTION 24-46-108 may be carried  
22 forward and used as a credit against subsequent years' income tax liability  
23 for a period not to exceed ten years and shall be applied first to the  
24 earliest income tax years possible. Any credit remaining after said period  
25 shall not be refunded or credited to the taxpayer.

26 **SECTION 9. Appropriation.** (1) For the 2023-24 state fiscal  
27 year, \$117,583 is appropriated to the office of the governor for use by

1 economic development programs. This appropriation is from the general  
2 fund and is based on an assumption that the division will require an  
3 additional 1.3 FTE. To implement this act, the department may use this  
4 appropriation for the economic development commission - general  
5 economic incentives and marketing.

6 (2) For the 2023-24 state fiscal year, \$300,108 is appropriated to  
7 the department of revenue. This appropriation is from the general fund.  
8 To implement this act, the department may use this appropriation as  
9 follows:

10 (a) \$103,381 for use by the executive director's office for personal  
11 services related to administration and support, which amount is based on  
12 an assumption that the office will require an additional 1.4 FTE;

13 (b) \$8,560 for use by the executive director's office for operating  
14 expenses related to administration and support;

15 (c) \$155,525 for tax administration IT system (GenTax) support;  
16 and

17 (d) \$32,642 for the purchase of document management services.

18 (3) For the 2023-24 state fiscal year, \$32,642 is appropriated to  
19 the department of personnel. This appropriation is from reappropriated  
20 funds received from the department of revenue under subsection (2)(d)  
21 of this section. To implement this act, the department of personnel may  
22 use this appropriation to provide document management services for the  
23 department of revenue.

24 **SECTION 10. Safety clause.** The general assembly hereby finds,  
25 determines, and declares that this act is necessary for the immediate  
26 preservation of the public peace, health, or safety.