

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

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 24-0997.01 Nicole Myers x4326

**HOUSE BILL 24-1325**

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**HOUSE SPONSORSHIP**

**Valdez and Soper,**

**SENATE SPONSORSHIP**

**Bridges and Baisley,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101    **CONCERNING THE CREATION OF TAX INCENTIVES TO SUPPORT THE**  
102            **QUANTUM INDUSTRY, AND, IN CONNECTION THEREWITH,**  
103            **MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does 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 2 tax incentives to support the development of the quantum technology ecosystem in the state. Neither of the tax credits created in the bill are allowed to any qualified applicant unless a Colorado-based entity receives a multi-million dollar federal grant from the economic development administration for the regional technology and

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  
Amended 2nd Reading  
April 29, 2024

innovation program or a comparable federal grant program.

**Tax credit for investments in fixed capital assets to create a shared quantum facility.** Section 2 of the bill creates a 100% refundable income tax credit for qualifying investments in fixed capital assets as part of a coordinated plan to create a shared quantum facility (facility credit) for income tax years commencing on or after January 1, 2025, but before January 1, 2033. The amount of the facility credit is equal to the amount of the qualifying investment made by a qualified applicant for an eligible project; except that the maximum aggregate amount of all facility credits is \$44 million. In addition, the maximum aggregate amount of facility credits that may be claimed in the taxable year in which the eligible project is placed in service is \$24 million. If qualified applicants are issued more than an aggregate of \$24 million in facility credits, the qualified applicants may claim the credits in future taxable years, subject to a specified limit on the amount of the credit that may be claimed in a single taxable year.

A qualified applicant may be a consortium of entities that are jointly participating in creating a shared quantum facility. An eligible project is a project to create a shared quantum facility, which is a primary place in the state where an applicant performs activities and provides the economic benefits related to quantum business and that is approved as an eligible project by the office of economic development (office).

The bill details a process for claiming the facility credit that requires:

- The submission by a qualified applicant to the office of an application for a facility credit reservation;
- Preliminary and final review of the application and approval of the request for a facility credit reservation by the office;
- Issuance of a facility credit reservation to the qualified applicant by the office;
- Completion of the eligible project and certification by the qualified applicant of the qualified applicant's qualifying investments;
- Review of the eligible project and qualifying investments by the office;
- Issuance of a tax credit certificate by the office;
- Filing of the tax credit certificate with the department of revenue with the qualified applicant's tax return or informational return; and
- Recapture of the credit if the eligible project is not used for a use that makes it an eligible project during a specified compliance period.

**Quantum business loan loss reserve tax credit.** Section 3 creates a 100% refundable income tax credit to offset losses incurred by a

qualified applicant in connection with a registered loan to a quantum company (loan loss credit) for income tax years commencing on or after January 1, 2026, but before January 1, 2046. A qualified applicant is a commercial bank, depository institution, private lending fund, or other entity that makes loans for commercial purposes to a quantum company that satisfies certain income and other criteria (eligible loan). The administrator of the loan loss credit (administrator) may be the office, or the office may contract with a third-party program administrator to administer the credit. The administrator is required to determine the method by which the loan loss credit will be distributed to qualified applicants. The distribution method may be on a first-come, first-served basis or based on a competitive lender selection process where the administrator chooses which lenders are eligible to apply for the loan loss credit.

A qualified applicant is required to register any loan that is the basis of a loan loss tax credit with the administrator and is not eligible to claim the loan loss credit until the qualified applicant has incurred a loss in connection with a registered loan. The amount of the loan loss credit is an amount up to 15 cents for every dollar of an eligible loan that the qualified applicant has made or will make; except that the maximum aggregate amount of all loan loss credits is \$30 million. In addition, subject to specified requirements and, if the administrator is not the office, the approval of the office, the administrator may establish policies and procedures to set the amount of the loan loss credit below 15 cents for every dollar loaned, change the amount of the loan loss credit from time to time, or cap the total amount of loan loss credits issued to a qualified applicant.

Each qualified applicant that is issued more than one loan loss credit certificate is required to hold all the loan loss credit certificates that were issued to the qualified applicant in a pooled loan loss reserve. A qualified applicant may use all or any portion of the loan loss credit certificates issued to that qualified applicant to offset any loss incurred by that qualified applicant in connection with one or more registered loans.

The bill details a process for claiming the loan loss credit that requires:

- Submission of an application for a loan loss credit certificate and a request that the administrator register an eligible loan;
- Preliminary and final review of the application and registration of eligible loans by the administrator;
- Issuance of a loan loss tax credit certificate to a qualified applicant;
- Periodic updates to the administrator by a qualified applicant that was issued a loan loss credit certificate regarding the status of each of the qualified applicant's

- registered loans;
- Application to the administrator for a registered loan loss certificate after a qualified applicant incurs a loss in connection with a registered loan;
- Review of information regarding the loan by the administrator and issuance of a registered loan loss certificate to the qualified applicant; and
- Filing the loan loss credit certificate and the registered loan loss certificate with the department of revenue with the qualified applicant's tax return or informational return.

The administrator of the loan loss credit may impose a registration and issuance fee on a qualified applicant or on the borrower to which a qualified applicant made an eligible loan. The administrator is required to credit any fee revenue to the quantum business loan loss reserve cash fund, which is created in the bill and is exempted, in **section 3**, from the restriction on the statutory amount of authorized cash fund reserves.

The office and the administrator are required to annually report to the general assembly regarding the facility credit and the loan loss credit and may, after soliciting advice from the department of revenue and quantum industry participants, create and modify policies and procedures as necessary to implement the facility credit or the loan loss credit, as applicable.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4 (a) Under the federal "Creating Helpful Incentives to Produce  
5 Semiconductors (CHIPS) and Science Act", enacted in 2022, the United  
6 States Department of Commerce's Economic Development  
7 Administration is overseeing the Regional Technology and Innovation  
8 Hubs, or "Tech Hubs", program, a competitive process to select 5 to 10  
9 federally designated Tech Hubs across the country, with \$500 million in  
10 appropriated funding available in 2024 and up to \$10 billion over 5 years;

11 (b) In October 2023, the federal government announced that  
12 Colorado was successful in its bid pursuing a regional Phase 1 Tech Hub  
13 designation, enabling the state to compete for new funds to develop the

1 quantum technology industry; the Tech Hub bid is led by a Colorado-led  
2 nonprofit consisting of a consortium of over 70 member organizations  
3 across Colorado, New Mexico, and Wyoming aiming to maintain the  
4 Mountain West as the nation's leading quantum ecosystem;

5 (c) Colorado is currently competing nationally for the Tech Hubs  
6 program's Phase 2 Tech Hub designation and accompanying grant for  
7 quantum technology. If successful, Colorado will secure the federal  
8 funding necessary to develop a global hub for the quantum technology  
9 ecosystem, including quantum computing, sensing, networking, and  
10 enabling hardware.

11 (d) Colorado is deeply committed to ensuring that all residents of  
12 the state have equitable access to high-quality careers, and maintains that  
13 the state's economy and social well-being is greatly strengthened when  
14 investments in industries assist to create and retain high-road,  
15 family-sustaining jobs;

16 (e) The federal Tech Hubs program requires the development of  
17 robust workforce development programs in partnership with training  
18 providers, educational institutions, and labor and community  
19 organizations, requires that programs align with the "Good Jobs  
20 Principles" established by the United States department of labor and  
21 United States department of commerce, and requires that programs  
22 demonstrate how workforce development organizations and organizations  
23 representing workers, including labor organizations and federations, will  
24 collaborate within the Tech Hub to increase job quality and the quantity  
25 of good jobs in the selected core technology areas;

26 (f) Colorado is internationally recognized for its contributions to  
27 quantum physics and is home to 4 winners of the Nobel Prize in Physics

1 for quantum breakthroughs that shifted global understanding in the field;

2 (g) Colorado has more quantum startups, deployed quantum  
3 technology, private sector investments in quantum technology employees  
4 working for quantum companies, and overall economic output within the  
5 quantum industry than any other state;

6 (h) Colorado's quantum technology industry has fostered a 40%  
7 increase in the number of patents secured in the state over the last 10  
8 years and a 545% increase in the total third-party funding amount directed  
9 to quantum companies in the state over the last 15 years;

10 (i) Establishing Colorado as the global hub for quantum  
11 technology will result in an economic impact of more than \$1 billion  
12 statewide and over 10,000 high-quality jobs from the Phase 2 Tech Hub  
13 designation alone, but state support will be essential in obtaining this  
14 federal money;

15 (j) Colorado's quantum technology industry has garnered  
16 international recognition for its groundbreaking achievements,  
17 positioning the state as a leader in quantum research, development, and  
18 innovation; and

19 (k) The collaborative efforts of higher education institutions,  
20 industry, and government agencies have played a pivotal role in nurturing  
21 Colorado's quantum technology ecosystem, fostering an environment  
22 conducive to research advancements, technology deployment to improve  
23 the quality of life, and economic prosperity for Colorado and our global  
24 community.

25 (2) The general assembly further finds and declares that the tax  
26 incentives provided in this act will strengthen the growing and  
27 competitive position of Colorado as a Tech Hub for quantum technology

1 and will enable the state to continue its exemplary achievements and  
2 strategic initiatives in quantum technology.

3 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-560 and  
4 39-22-561 as follows:

5 **39-22-560. Tax credit for investments in fixed capital assets**  
6 **for a shared quantum facility - tax preference performance statement**

7 **- definitions - repeal. (1) Tax preference performance statement.** IN  
8 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL  
9 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE  
10 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE  
11 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

12 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT  
13 ALLOWED BY THIS SECTION ARE:

14 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;  
15 AND

16 (II) TO IMPROVE INDUSTRY COMPETITIVENESS;

17 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT  
18 ALLOWED BY THIS SECTION IS TO INDUCE A QUALIFIED APPLICANT TO  
19 INVEST IN FIXED CAPITAL ASSETS TO CREATE A HUB THAT IS A SHARED  
20 QUANTUM FACILITY THAT ACCOMPLISHES TRANSLATIONAL RESEARCH AND  
21 INCUBATION, LOW-VOLUME MANUFACTURING AND FABRICATION AND  
22 RAPID PROTOTYPING IN A LABORATORY ENVIRONMENT AND TO PROVIDE  
23 RELATED SERVICES **AND WORKFORCE DEVELOPMENT** TO SUPPORT THE  
24 DEVELOPMENT OF QUANTUM BUSINESSES AND THE QUANTUM ECOSYSTEM  
25 IN THE STATE; AND

26 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
27 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSES

1 SPECIFIED IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION BASED ON  
2 THE INFORMATION REPORTED BY THE OFFICE PURSUANT TO SUBSECTION  
3 (11) OF THIS SECTION.

4 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
5 OTHERWISE REQUIRES:

6 (a) "CONSORTIUM" MEANS A GROUP OF NONPROFIT OR FOR-PROFIT  
7 ENTITIES, OR BOTH, THAT ARE JOINTLY MAKING QUALIFYING INVESTMENTS  
8 IN AN ELIGIBLE PROJECT TO CREATE AND OPERATE A SHARED QUANTUM  
9 FACILITY. A CONSORTIUM MAY INCLUDE ONE OR MORE MEMBERS EXEMPT  
10 FROM TAX PURSUANT TO SECTION 39-22-112.

11 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

12 (c) "ELIGIBLE PROJECT" MEANS A CAPITAL PROJECT UNDERTAKEN  
13 IN THE STATE TO CREATE A SHARED QUANTUM FACILITY FOR WHICH A  
14 QUALIFIED APPLICANT MAKES QUALIFYING INVESTMENTS AND THAT IS  
15 APPROVED BY THE OFFICE IN ACCORDANCE WITH THE POLICIES,  
16 PROCEDURES, AND GUIDELINES FOR THE IMPLEMENTATION AND  
17 ADMINISTRATION OF THE TAX CREDIT ALLOWED BY THIS SECTION ADOPTED  
18 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

19 (d) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
20 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

21 (e) (I) "QUALIFIED APPLICANT" MEANS A NONPROFIT OR  
22 FOR-PROFIT ENTITY THAT SUBMITS AN APPLICATION FOR THE RESERVATION  
23 AND ISSUANCE OF TAX CREDITS TO THE OFFICE PURSUANT TO THIS  
24 SECTION. AN APPLICANT MAY BE A CONSORTIUM AS SET FORTH IN  
25 SUBSECTION (4) OF THIS SECTION.

26 (II) A "QUALIFIED APPLICANT" INCLUDES A PERSON THAT IS  
27 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112.



1 (f) (I) "QUALIFYING FIXED CAPITAL ASSETS" MEANS:

2 (A) LAND IN THIS STATE;

3 (B) BUILDINGS, FIXTURES, AND OTHER STRUCTURAL COMPONENTS  
4 OF BUILDINGS IN THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS  
5 ALLOWED A DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF  
6 THE INTERNAL REVENUE CODE, INCLUDING PURCHASING OR  
7 CONSTRUCTING A FACILITY, RENOVATING A FACILITY, MAKING TENANT  
8 IMPROVEMENTS, FUNDING A CAPITAL LEASE, CAPITALIZED LABOR,  
9 CONSTRUCTION, AND INSTALLATION COSTS;

10 (C) TANGIBLE PERSONAL PROPERTY ACQUIRED FOR USE  
11 EXCLUSIVELY IN THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS  
12 ALLOWED A DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF  
13 THE INTERNAL REVENUE CODE, INCLUDING FURNITURE, FIXTURES AND  
14 EQUIPMENT SUCH AS OUTFITTING AN OFFICE, LABORATORY MACHINES,  
15 REFRIGERATION, HVAC SYSTEMS, PIPING, MEASURING, MONITORING AND  
16 INSTRUMENTATION EQUIPMENT, FABRICATION MACHINES, TOOLS AND  
17 EQUIPMENT, AND ANY HARDWARE AND SOFTWARE DEVELOPED BY THIRD  
18 PARTIES NECESSARY FOR QUANTUM TECHNOLOGY APPLICATIONS; AND

19 (D) COMPUTER SOFTWARE ACQUIRED FOR USE EXCLUSIVELY IN  
20 THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS ALLOWED A  
21 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE  
22 INTERNAL REVENUE CODE.

23 (II) "QUALIFYING FIXED CAPITAL ASSETS" IS LIMITED TO PROPERTY  
24 ACQUIRED, CONSTRUCTED, RECONSTRUCTED, OR ERECTED AS PART OF A  
25 COORDINATED PLAN TO CREATE A SHARED QUANTUM FACILITY.

26 (III) FOR PURPOSES OF THIS SUBSECTION (2)(f), IF A QUALIFIED  
27 APPLICANT IS NOT SUBJECT TO FEDERAL INCOME TAX, THE QUALIFIED

1 APPLICANT IS DEEMED TO BE ALLOWED A DEDUCTION FOR DEPRECIATION  
2 IF SUCH A DEDUCTION WOULD HAVE BEEN ALLOWED WERE THE QUALIFIED  
3 APPLICANT SUBJECT TO FEDERAL INCOME TAX.

4 (IV) "QUALIFYING FIXED CAPITAL ASSETS" SHALL BE ACQUIRED,  
5 CONSTRUCTED, RECONSTRUCTED, OR ERECTED WHERE POSSIBLE BY A  
6 CERTIFIED CONTRACTOR ON A CERTIFIED CONTRACTOR LIST THAT IS  
7 OBTAINED FROM THE COLORADO DEPARTMENT OF LABOR AND  
8 EMPLOYMENT AND THAT CONTAINS THE INFORMATION SPECIFIED IN  
9 SECTION 40-3.2-105.6 (3)(a).

10 (g) "QUALIFYING INVESTMENT" MEANS THE AMOUNT PAID BY A  
11 QUALIFIED APPLICANT TO ACQUIRE, CONSTRUCT, RECONSTRUCT, OR ERECT  
12 QUALIFYING FIXED CAPITAL ASSETS TO THE EXTENT SUCH AMOUNT IS  
13 REQUIRED TO BE CAPITALIZED PURSUANT TO THE INTERNAL REVENUE  
14 CODE OR SUCH AMOUNT IS ALLOWED TO BE DEDUCTED UNDER SECTION 179  
15 OF THE INTERNAL REVENUE CODE. "QUALIFYING INVESTMENT" INCLUDES  
16 AN AMOUNT CAPITALIZED BY A LESSEE OF QUALIFYING FIXED CAPITAL  
17 ASSETS FOR A LEASE THAT IS TREATED AS A SALE FOR FEDERAL INCOME  
18 TAX PURPOSES.

19 (h) "QUANTUM BUSINESS" MEANS A PRIVATE FOR-PROFIT TRADE  
20 OR BUSINESS OR NONPROFIT ORGANIZATION THAT HAS QUANTUM  
21 TECHNOLOGY AS A KEY PART OF ITS BUSINESS MODEL OR ORGANIZATIONAL  
22 PURPOSE, INCLUDING BUT NOT LIMITED TO MANUFACTURING, TESTING,  
23 PRODUCTION, RESEARCH AND DEVELOPMENT, OR ENHANCEMENT OF  
24 HARDWARE OR SOFTWARE TO PERFORM OR USE QUANTUM TECHNOLOGY  
25 AS A KEY INPUT OR OUTPUT OF ITS BUSINESS MODEL, AND COMPANIES  
26 THAT PRODUCE GOODS OR SERVICES THAT ARE KEY INPUTS FOR OTHER  
27 QUANTUM BUSINESS.

1 (i) "SHARED QUANTUM FACILITY" MEANS A PRIMARY PLACE IN THE  
2 STATE WHERE AN APPLICANT PERFORMS ACTIVITIES AND PROVIDES  
3 ECONOMIC BENEFITS RELATED TO SUPPORTING QUANTUM BUSINESSES AND  
4 THE QUANTUM ECOSYSTEM.

5 (3) **Credit allowed.** (a) SUBJECT TO THE PROVISIONS OF  
6 SUBSECTION (3)(c) OF THIS SECTION, FOR INCOME TAX YEARS  
7 COMMENCING ON OR AFTER JANUARY 1, 2025, BUT PRIOR TO JANUARY 1,  
8 2033, A QUALIFIED APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME  
9 TAXES IMPOSED BY THIS ARTICLE 22 FOR PLACING AN ELIGIBLE PROJECT IN  
10 SERVICE IN AN AMOUNT SPECIFIED ON THE CREDIT CERTIFICATE ISSUED BY  
11 THE OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION.

12 (b) TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION,  
13 THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION FOR A TAX  
14 CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION,  
15 PLACE THE ELIGIBLE PROJECT IN SERVICE PRIOR TO JANUARY 1, 2031,  
16 OBTAIN A TAX CREDIT CERTIFICATE FROM THE OFFICE AS SPECIFIED IN  
17 SUBSECTION (7) OF THIS SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE  
18 THE TAX CREDIT CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME  
19 TAX RETURN AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION.

20 (c) THE TAX CREDIT CREATED IN THIS SECTION IS NOT ALLOWED TO  
21 ANY QUALIFIED APPLICANT UNLESS A COLORADO-BASED ENTITY RECEIVES  
22 A MULTI-MILLION DOLLAR FEDERAL GRANT FROM THE ECONOMIC  
23 DEVELOPMENT ADMINISTRATION FOR THE REGIONAL TECHNOLOGY AND  
24 INNOVATION PROGRAM OR A COMPARABLE FEDERAL GRANT PROGRAM.  
25 THE OFFICE SHALL NOTIFY THE DEPARTMENT IF A GRANT SPECIFIED IN THIS  
26 SUBSECTION (3)(c) IS RECEIVED.

27 (4) **Consortium as qualified applicant - tax matters**

1 **representative.** IF A QUALIFIED APPLICANT IS A CONSORTIUM:

2 (a) THE BASIS OF THE CREDIT ALLOWED BY THIS SECTION INCLUDES  
3 THE AGGREGATE QUALIFYING INVESTMENT BY ALL THE MEMBERS OF THE  
4 CONSORTIUM AS DESCRIBED IN SUBSECTION (7)(a)(II) OF THIS SECTION.

5 (b) WHETHER THE APPLICANT PERFORMS THE ACTIVITIES AND  
6 PROVIDES THE ECONOMIC BENEFITS RELATED TO QUANTUM BUSINESS IS  
7 BASED UPON THE ACTIVITIES PERFORMED BY AND THE BENEFITS PROVIDED  
8 BY ALL THE MEMBERS OF THE CONSORTIUM.

9 (c) THE MEMBERS OF THE CONSORTIUM SHALL DESIGNATE ONE  
10 MEMBER TO BE THE TAX MATTERS REPRESENTATIVE. THE TAX MATTERS  
11 REPRESENTATIVE SHALL DISCLOSE TO THE OFFICE THAT IT IS THE TAX  
12 MATTERS REPRESENTATIVE ACTING ON BEHALF OF THE CONSORTIUM. THE  
13 TAX MATTERS REPRESENTATIVE SHALL ALSO DISCLOSE TO THE OFFICE THE  
14 NAME AND TAXPAYER IDENTIFICATION NUMBER OF EACH MEMBER OF THE  
15 CONSORTIUM.

16 (d) THE TAX MATTERS REPRESENTATIVE IS RESPONSIBLE FOR  
17 REPRESENTING AND BINDING THE CONSORTIUM WITH RESPECT TO ALL  
18 ISSUES AFFECTING THE CREDIT, INCLUDING SUBMITTING THE APPLICATION  
19 FOR A TAX CREDIT RESERVATION, REPRESENTING THE CONSORTIUM  
20 BEFORE THE OFFICE WITH RESPECT TO THE APPLICATION, NOTIFYING THE  
21 OFFICE THAT THE ELIGIBLE PROJECT HAS BEEN PLACED IN SERVICE,  
22 SUBMITTING PROOF OF COMPLIANCE, SUBMITTING ONGOING COMPLIANCE  
23 REPORTS, SUBMITTING ANY OTHER REPORT OR DOCUMENT REQUIRED BY  
24 THE OFFICE OR THE DEPARTMENT, ADJUDICATING ANY DISPUTES, AND  
25 TAKING ANY OTHER ACTION REQUIRED OF A QUALIFIED APPLICANT BY THIS  
26 SECTION. THE ACTS OF THE TAX MATTERS REPRESENTATIVE ARE BINDING  
27 UPON ALL MEMBERS OF THE CONSORTIUM.

1           (e) THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE TO, AND  
2 IN THE NAME OF, THE TAX MATTERS REPRESENTATIVE. THE TAX MATTERS  
3 REPRESENTATIVE SHALL FILE THE RETURN AND CLAIM THE FULL AMOUNT  
4 OF THE TAX CREDIT PURSUANT TO SUBSECTION (8) OF THIS SECTION. THE  
5 DEPARTMENT SHALL PAY ANY AMOUNT REFUNDED PURSUANT TO  
6 SUBSECTION (9) OF THIS SECTION TO THE TAX MATTERS REPRESENTATIVE.

7           (f) IF THE CREDIT ALLOWED BY THIS SECTION IS RECAPTURED  
8 PURSUANT TO SUBSECTION (10) OF THIS SECTION, THE TAX MATTERS  
9 REPRESENTATIVE SHALL ADD THE RECAPTURED CREDIT, PLUS ANY  
10 APPLICABLE PENALTIES AND INTEREST, TO ITS RETURN. NEVERTHELESS,  
11 EVERY MEMBER OF THE CONSORTIUM IS JOINTLY AND SEVERALLY LIABLE  
12 FOR ANY RESULTING DEFICIENCY.

13           (5) **Application submission and review for tax credit**  
14 **reservation.** (a) AN APPLICANT MAY SUBMIT AN APPLICATION FOR A TAX  
15 CREDIT RESERVATION TO THE OFFICE ON OR AFTER JANUARY 1, 2024, BUT  
16 NO LATER THAN DECEMBER 31, 2025; EXCEPT THAT IF THE FEDERAL  
17 GOVERNMENT HAS NOT ANNOUNCED THE GRANT RECIPIENT DESCRIBED IN  
18 SUBSECTION (3)(c) OF THIS SECTION BY JUNE 30, 2025, THE OFFICE MAY  
19 EXTEND THE APPLICATION DEADLINE TO NO MORE THAN SIX MONTHS  
20 AFTER AN ANNOUNCEMENT THAT A COLORADO-BASED ENTITY HAS  
21 RECEIVED THE GRANT DESCRIBED IN SUBSECTION (3)(c) OF THIS SECTION.  
22 THE APPLICATION SHALL INCLUDE A PROJECT PLAN FOR A SHARED  
23 QUANTUM FACILITY.

24           (b) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS FOR  
25 A TAX CREDIT RESERVATION TO:

26           (I) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED  
27 APPLICANT;

1           (II) DETERMINE WHETHER THE APPLICATION FOR A TAX CREDIT  
2 RESERVATION IS COMPLETE AND INCLUDES A PLAN TO MAKE INVESTMENTS  
3 IN QUALIFYING FIXED CAPITAL ASSETS FOR THE CREATION OF A SHARED  
4 QUANTUM FACILITY;

5           (III) MAKE A PRELIMINARY DETERMINATION WHETHER THE  
6 PROJECT PLAN FOR A SHARED QUANTUM FACILITY IS FOR AN ELIGIBLE  
7 PROJECT BASED ON THE POLICIES AND PROCEDURES DEVELOPED BY THE  
8 OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION; AND

9           (IV) DETERMINE WHETHER THE ELIGIBLE PROJECT IS ENTITLED TO  
10 A TAX CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (6) OF THIS  
11 SECTION.

12           (c) THE OFFICE SHALL MAKE THE DETERMINATIONS SPECIFIED IN  
13 SUBSECTION (5)(b) OF THIS SECTION WITHIN NINETY DAYS OF THE DATE  
14 THE OFFICE RECEIVES THE COMPLETE APPLICATION FOR A TAX CREDIT  
15 RESERVATION.

16           (d) IF THE OFFICE DETERMINES THAT AN APPLICATION FOR A TAX  
17 CREDIT RESERVATION IS INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE  
18 DETERMINATION SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, THE  
19 OFFICE SHALL NOTIFY THE APPLICANT IN WRITING OF THE OFFICE'S  
20 DECISION AND MAY REMOVE THE APPLICATION FOR A TAX CREDIT  
21 RESERVATION FROM THE REVIEW PROCESS.

22           (e) AS PART OF THE APPLICATION REVIEW PROCESS REQUIRED  
23 PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION, THE OFFICE MAY  
24 REQUEST CLARIFICATIONS AND MODIFICATIONS TO THE APPLICATION.

25           (f) THE OFFICE MAY INCLUDE PERFORMANCE REQUIREMENTS AND  
26 CRITERIA THAT A QUALIFIED APPLICANT IS REQUIRED TO SATISFY BEFORE  
27 THE OFFICE WILL ISSUE A TAX CREDIT RESERVATION PURSUANT TO

1 SUBSECTION (6) OF THIS SECTION OR A TAX CREDIT CERTIFICATE PURSUANT  
2 TO SUBSECTION (7) OF THIS SECTION. THE OFFICE MUST DOCUMENT IN  
3 WRITING ANY REQUIREMENTS CREATED PURSUANT TO THIS SUBSECTION  
4 (5)(f).

5 (b) **Tax credit reservation.** (a) BASED ON THE FACTORS SPECIFIED  
6 IN SUBSECTION (6)(d) OF THIS SECTION, THE OFFICE MAY DETERMINE THAT  
7 A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT RESERVATION IN  
8 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE OFFICE SHALL  
9 ISSUE TAX CREDIT RESERVATIONS SUBJECT TO THE LIMITATIONS SET FORTH  
10 IN THIS SUBSECTION (6) AND IN ACCORDANCE WITH THE POLICIES AND  
11 PROCEDURES ESTABLISHED PURSUANT TO SUBSECTION (12) OF THIS  
12 SECTION.

13 (b) IF THE OFFICE RESERVES A TAX CREDIT FOR THE BENEFIT OF A  
14 QUALIFIED APPLICANT, THE OFFICE SHALL NOTIFY THE QUALIFIED  
15 APPLICANT IN WRITING OF THE RESERVATION AND THE AMOUNT RESERVED.  
16 THE RESERVATION OF A TAX CREDIT BY THE OFFICE FOR A QUALIFIED  
17 APPLICANT DOES NOT ENTITLE THE QUALIFIED APPLICANT TO ISSUANCE OF  
18 A CREDIT CERTIFICATE UNTIL THE QUALIFIED APPLICANT COMPLIES WITH  
19 ALL THE OTHER REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE  
20 ISSUANCE OF THE TAX CREDIT. WHEN THE OFFICE APPROVES A TAX CREDIT  
21 RESERVATION, THE OFFICE MAY ALSO IMPOSE ADDITIONAL REQUIREMENTS,  
22 WHICH A QUALIFIED APPLICANT SHALL SATISFY AS PART OF COMPLETING  
23 THE QUALIFYING INVESTMENT, BEFORE A TAX CREDIT CERTIFICATE IS  
24 ISSUED TO THE QUALIFIED APPLICANT.

25 (c) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (6)(c), IF  
26 APPROVED, THE OFFICE MAY ISSUE A TAX CREDIT RESERVATION TO A  
27 QUALIFIED APPLICANT FOR AN ELIGIBLE PROJECT IN AN AMOUNT EQUAL TO

1 THE QUALIFIED APPLICANT'S ESTIMATED QUALIFYING INVESTMENT.

2 (II) THE AGGREGATE AMOUNT OF ALL FIXED ASSET INVESTMENT  
3 TAX CREDIT RESERVATIONS THAT THE OFFICE MAY ISSUE PURSUANT TO  
4 THIS SECTION MUST NOT EXCEED FORTY-FOUR MILLION DOLLARS.

5 (III) THE OFFICE MAY ESTABLISH POLICIES AND PROCEDURES TO  
6 CAP THE TOTAL AMOUNT OF ANY TAX CREDIT RESERVATION ISSUED TO A  
7 QUALIFIED APPLICANT PURSUANT TO THIS SUBSECTION (6).

8 (d) IN MAKING THE FINAL DETERMINATION OF WHICH PROJECT  
9 PLAN TO ISSUE TAX RESERVATIONS TO PURSUANT TO THIS SUBSECTION (6),  
10 THE OFFICE MAY PRIORITIZE A PROJECT PLAN THAT:

11 (I) IS SUBMITTED BY A QUALIFIED APPLICANT THAT IS A  
12 CONSORTIUM THAT INCLUDES THE FOLLOWING OR IS SUBMITTED BY A  
13 QUALIFIED APPLICANT THAT IS NOT A CONSORTIUM AND THAT  
14 COLLABORATES WITH THE FOLLOWING:

15 (A) A NONPROFIT ENTITY CREATED BY INSTITUTIONS OF HIGHER  
16 EDUCATION OF HIGH RESEARCH ACTIVITY, CLASSIFIED AS R1 UNIVERSITIES,  
17 LED BY A PUBLIC R1 UNIVERSITY WITH A DEMONSTRATED HISTORY OF  
18 QUANTUM-RELATED RESEARCH AND INVESTMENT IN COLORADO; AND

19 (B) A NONPROFIT ENTITY THAT HAS RECEIVED A SUBSTANTIAL  
20 FEDERAL AWARD FOR THE PURPOSES OF CULTIVATING AND EXPANDING A  
21 QUANTUM-RELATED ECOSYSTEM WITHIN COLORADO;

22 (II) IS SUBMITTED BY A QUALIFIED APPLICANT THAT  
23 DEMONSTRATES AN ABILITY TO MEET APPLICATION REQUIREMENTS  
24 DESIGNATED BY THE OFFICE, INCLUDING:

25 (A) THE SUBMISSION OF A BUDGET FOR THE PROJECT PLAN THAT  
26 INCLUDES THE SOURCES OF FUNDING FOR THE PROJECT AND ANTICIPATED  
27 USES OF THE FUNDING; ■■■



1 (B) THE SUBMISSION OF AN EXPLANATION FOR THE WAYS IN WHICH  
2 THE SHARED QUANTUM FACILITY WILL BE USED AND HOW IT WILL BENEFIT  
3 THE QUANTUM INDUSTRY IN THIS STATE; AND

4 (C) THE SUBMISSION OF A COMMUNITY BENEFITS PLAN DEVELOPED  
5 BY A NONPROFIT ENTITY DESCRIBED IN SUBSECTION (6)(d)(I)(B) OF THIS  
6 SECTION, THROUGH ENGAGEMENT WITH THE COMMUNITY SURROUNDING  
7 THE SHARED QUANTUM FACILITY AND LABOR ORGANIZATIONS;

8 (III) IS SUBMITTED BY A QUALIFIED APPLICANT THAT:

9 (A) DEMONSTRATES THAT THE PROJECT PLAN IS AGREED UPON BY  
10 THE ENTITIES DESCRIBED IN SUBSECTIONS (6)(d)(I)(A) AND (6)(d)(I)(B) OF  
11 THIS SECTION;

12 (B) DEMONSTRATES AN INTENT TO EQUITABLY AND EFFECTIVELY  
13 DISTRIBUTE THE TAX CREDITS OR THE REFUND PROCEEDS OF THE TAX  
14 CREDIT;

15 (C) DEMONSTRATES AN INTENT TO LEVERAGE THE PROCEEDS OF  
16 THE REFUNDABLE TAX CREDIT PURSUANT TO THIS SECTION FOR THE  
17 PURPOSE OF CREATING AND FINANCING A SHARED QUANTUM FACILITY TO  
18 ACCOMPLISH THE GOALS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION;

19 (D) INCLUDES A SUMMARY OF ANY THIRD-PARTY RESOURCES  
20 APART FROM THE TAX CREDITS ALLOWED PURSUANT TO THIS SECTION  
21 THAT WILL BE USED TO CREATE OR FINANCE THE SHARED QUANTUM  
22 FACILITY; AND

23 (E) INCLUDES A PROPOSED COLLABORATION PLAN THAT OUTLINES  
24 THE OPERATIONAL AND GOVERNANCE PLAN FOR THE SHARED QUANTUM  
25 FACILITY;

26 (IV) PROPOSES A SUITABLE LOCATION FOR THE SHARED QUANTUM  
27 FACILITY; AND

1 (V) IS MADE BY A QUALIFIED APPLICANT THAT IS A  
2 NEWLY-CREATED NONPROFIT ORGANIZATION DEDICATED TO THE PURPOSE  
3 OF PROMOTING THE QUANTUM ECOSYSTEM AND ITS COMMERCIAL  
4 GROWTH.

5 (e) AS PART OF THE TAX CREDIT RESERVATION PROCESS PURSUANT  
6 TO THIS SUBSECTION (6), THE OFFICE MAY REQUEST CLARIFICATIONS OR  
7 MODIFICATIONS TO THE APPLICATION SUBMITTED PURSUANT TO  
8 SUBSECTION (5) OF THIS SECTION.

9 (f) THE APPLICANT, AT THE APPLICANT'S OWN RISK, MAY BEGIN  
10 MAKING INVESTMENTS IN QUALIFYING FIXED CAPITAL ASSETS BEFORE A  
11 TAX CREDIT RESERVATION IS AWARDED TO THE QUALIFIED APPLICANT  
12 PURSUANT TO THIS SUBSECTION (6). IF A TAX CREDIT RESERVATION  
13 APPLICATION IS APPROVED FOR A QUALIFIED APPLICANT, INVESTMENTS IN  
14 QUALIFYING FIXED CAPITAL ASSETS THAT THE QUALIFIED APPLICANT MADE  
15 UP TO TWELVE MONTHS BEFORE THE DATE THE TAX CREDIT RESERVATION  
16 WAS SUBMITTED MAY BE INCLUDED IN THE CALCULATION OF QUALIFYING  
17 FIXED CAPITAL ASSETS FOR THE PURPOSE OF DETERMINING THE AMOUNT  
18 OF THE TAX CREDIT CERTIFICATE ISSUED PURSUANT TO SUBSECTION (7) OF  
19 THIS SECTION.

20 (7) **Proof of compliance - audit of qualifying investments**  
21 **certification - issuance of tax credit certificate.** (a) (I) AFTER A  
22 QUALIFIED APPLICANT COMPLETES A PROJECT OR A PHASE OF A PROJECT,  
23 THE QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE PROJECT  
24 OR PHASE OF THE PROJECT HAS BEEN PLACED IN SERVICE AND SHALL  
25 CERTIFY THE TYPES AND AMOUNT OF THE QUALIFYING INVESTMENTS AND  
26 HOW THE INVESTMENTS WERE USED IN AN ELIGIBLE PROJECT, AFTER WHICH  
27 THE OFFICE SHALL MAKE A FINAL DETERMINATION AS TO WHETHER THE

1 PROJECT IS AN ELIGIBLE PROJECT. THE APPLICANT SHALL INCLUDE A  
2 REVIEW OF THE CERTIFICATION BY A LICENSED CERTIFIED PUBLIC  
3 ACCOUNTANT THAT IS NOT AFFILIATED WITH THE QUALIFIED APPLICANT  
4 THAT ALIGNS WITH OFFICE POLICIES FOR CERTIFICATION OF QUALIFYING  
5 INVESTMENTS. THE APPLICANT SHALL ALSO CERTIFY AND PROVIDE  
6 DOCUMENTS DEMONSTRATING THAT THE APPLICANT SATISFIED ANY  
7 ADDITIONAL REQUIREMENTS IMPOSED BY THE OFFICE PURSUANT TO  
8 SUBSECTIONS (6) AND (12) OF THIS SECTION.

9 (II) QUALIFYING INVESTMENT EXPENDITURES THAT ARE ELIGIBLE  
10 FOR THE TAX CREDIT ALLOWED PURSUANT TO THIS SECTION MAY BE MADE  
11 BY THE APPLICANT, MEMBERS OF A CONSORTIUM, IF APPLICABLE, OR  
12 OTHER ENTITIES CONTRACTED TO MAKE THE EXPENDITURES ON BEHALF OF  
13 THE APPLICANT OR MEMBERS OF A CONSORTIUM AS PART OF A  
14 COORDINATED PLAN TO CREATE THE SHARED QUANTUM FACILITY. THE  
15 SOURCE OF MONEY FOR THE QUALIFYING INVESTMENT EXPENDITURES  
16 THAT ARE ELIGIBLE FOR THE TAX CREDIT CAN BE FROM ANY SOURCE OF  
17 MONEY THAT THE APPLICANT OR MEMBERS OF A CONSORTIUM OR OTHER  
18 ENTITIES HAVE AVAILABLE FOR MAKING THE INVESTMENTS.

19 (III) WITHIN NINETY DAYS AFTER RECEIPT OF THE COMPLETE  
20 DOCUMENTATION REQUIRED IN SUBSECTION (7)(a)(I) OF THIS SECTION  
21 FROM THE QUALIFIED APPLICANT, THE OFFICE SHALL REVIEW THE  
22 QUALIFIED APPLICANT'S DOCUMENTATION OF CERTIFIED QUALIFYING  
23 INVESTMENTS, DETERMINE WHETHER THE DOCUMENTATION SATISFIES THE  
24 PROJECT PLAN AND OTHER REQUIREMENTS, AND, IF THE OFFICE  
25 DETERMINES THAT THE DOCUMENTATION SATISFIES THE PROJECT PLAN  
26 AND OTHER REQUIREMENTS, THE OFFICE SHALL ISSUE A TAX CREDIT  
27 CERTIFICATE FOR THE LESSER OF THE AMOUNT SPECIFIED IN THE TAX

1 CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT PURSUANT TO  
2 SUBSECTION (6) OF THIS SECTION OR THE AMOUNT OF THE QUALIFYING  
3 INVESTMENT.

4 (b) IF THERE ARE ANY UNRESERVED AMOUNTS OF TAX CREDITS  
5 AVAILABLE UNDER SUBSECTION (6) OF THIS SECTION, AND IF THE AMOUNT  
6 OF CERTIFIED QUALIFYING INVESTMENTS INCURRED BY THE QUALIFIED  
7 APPLICANT WOULD HAVE RESULTED IN THE QUALIFIED APPLICANT BEING  
8 ISSUED A TAX CREDIT CERTIFICATE THAT EXCEEDS THE AMOUNT OF THE  
9 TAX CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT, THE  
10 QUALIFIED APPLICANT MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN  
11 ADDITIONAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE  
12 DIFFERENCE BETWEEN THE AMOUNT THAT WOULD HAVE BEEN ISSUED AS  
13 A RESULT OF THE CERTIFIED QUALIFYING INVESTMENTS IF THAT AMOUNT  
14 WAS NOT LIMITED TO THE AMOUNT OF THE TAX CREDIT RESERVATION  
15 PURSUANT TO SUBSECTION (7)(a)(III) OF THIS SECTION AND THE AMOUNT  
16 OF THE TAX CREDIT RESERVATION BY SUBMITTING AN APPLICATION IN A  
17 FORM AND MANNER DETERMINED BY THE OFFICE. THE OFFICE SHALL  
18 REVIEW THE APPLICATION AS SPECIFIED IN SUBSECTION (5) OF THIS  
19 SECTION AND, IF APPROVED, SHALL ISSUE A SEPARATE TAX CREDIT  
20 CERTIFICATE AWARDING THE QUALIFIED APPLICANT THE ADDITIONAL  
21 CREDIT.

22 (c) THE FIRST APPLICATION FOR TAX CREDIT ISSUANCE MAY  
23 INCLUDE QUALIFYING INVESTMENTS FOR THE ENTIRE ELIGIBLE PROJECT OR  
24 JUST THE INITIAL PHASE AND MUST BE SUBMITTED BY THE QUALIFIED  
25 APPLICANT NO LATER THAN DECEMBER 31, 2028.

26 (d) A QUALIFIED APPLICANT MAY SUBMIT ADDITIONAL  
27 APPLICATIONS FOR TAX CREDIT ISSUANCE PURSUANT TO THIS SUBSECTION

1 (7) AS THE QUALIFIED APPLICANT COMPLETES ADDITIONAL PHASES OF THE  
2 PROJECT THAT ARE PLACED IN SERVICE. THE QUALIFIED APPLICANT MAY  
3 SUBMIT SUCH APPLICATIONS THROUGH DECEMBER 31, 2030, AND UP TO  
4 THE AMOUNT OF TAX CREDITS RESERVED BY THE APPLICANT.

5 (8) **Filing tax credit certificate with income tax return.** (a) To  
6 CLAIM THE CREDIT AUTHORIZED BY THIS SECTION, A QUALIFIED APPLICANT  
7 SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE OFFICE  
8 PURSUANT TO SUBSECTION (7) OF THIS SECTION WITH THE QUALIFIED  
9 APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED APPLICANT IS  
10 EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1), THE QUALIFIED  
11 APPLICANT SHALL FILE A RETURN PURSUANT TO SECTION 39-22-601 (7)(b).  
12 THE AMOUNT OF THE TAX CREDIT THAT A QUALIFIED APPLICANT MAY  
13 CLAIM PURSUANT TO THIS SECTION IS THE AMOUNT STATED ON THE TAX  
14 CREDIT CERTIFICATE.

15 (b) A QUALIFIED APPLICANT MAY NOT USE A TAX CREDIT  
16 CERTIFICATE ISSUED PURSUANT TO THIS SUBSECTION (8) BEFORE THE  
17 INCOME TAX YEAR THAT BEGINS ON OR AFTER JANUARY 1, 2026, BUT  
18 MUST USE THE TAX CREDIT CERTIFICATE BEFORE THE LAST INCOME TAX  
19 YEAR THAT COMMENCES BEFORE JANUARY 1, 2033.

20 (c) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A  
21 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE  
22 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,  
23 MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A  
24 PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR  
25 PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,  
26 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION  
27 METHOD.

1           **(9) Refundability.** (a) EXCEPT AS OTHERWISE PROVIDED IN  
2 SUBSECTION (9)(b) OF THIS SECTION, NOT MORE THAN THE AGGREGATE OF  
3 TWENTY-FOUR MILLION DOLLARS OF CREDITS TO BE ISSUED TO ALL  
4 QUALIFIED APPLICANTS PURSUANT TO THIS SECTION MAY BE CLAIMED BY  
5 THE QUALIFIED APPLICANTS IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE  
6 PROJECT IS PLACED IN SERVICE. IF THE QUALIFIED APPLICANTS ARE ISSUED  
7 MORE THAN AN AGGREGATE OF TWENTY-FOUR MILLION DOLLARS IN  
8 CREDITS PURSUANT TO THIS SECTION, NOT MORE THAN TWENTY MILLION  
9 DOLLARS OF THE TOTAL AMOUNT OF CREDITS TO BE ISSUED MAY BE  
10 CLAIMED IN ANY SINGLE FUTURE TAXABLE YEAR; EXCEPT THAT CREDITS  
11 MAY NOT BE CLAIMED FOR ANY INCOME TAX YEAR THAT BEGINS ON OR  
12 AFTER JANUARY 1, 2033.

13           (b) IF THE AMOUNT OF THE CREDIT ALLOWED TO BE CLAIMED IN  
14 THE APPLICABLE TAXABLE YEAR PURSUANT TO THIS SECTION EXCEEDS THE  
15 AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE  
16 QUALIFIED APPLICANT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT  
17 IS BEING CLAIMED, OR THE QUALIFIED APPLICANT IS A PERSON WHO IS  
18 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112 (1), ONE  
19 HUNDRED PERCENT OF THE AMOUNT OF THE CREDIT THAT IS ALLOWED TO  
20 BE CLAIMED FOR THE APPLICABLE TAX YEAR THAT IS NOT USED AS AN  
21 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO  
22 THE QUALIFIED APPLICANT.

23           **(10) Compliance monitoring and recapture.** (a) EXCEPT AS  
24 PROVIDED IN SUBSECTION (10)(b) OF THIS SECTION, IF, DURING THE  
25 COMPLIANCE PERIOD, THE QUALIFIED APPLICANT SELLS, TRANSFERS,  
26 ABANDONS, OR REPURPOSES A SUBSTANTIAL PORTION OF THE QUALIFYING  
27 FIXED CAPITAL ASSETS FOR WHICH THE QUALIFIED APPLICANT WAS

1 ALLOWED A CREDIT PURSUANT TO THIS SECTION, OR OTHERWISE CEASES  
2 TO OPERATE THE SHARED QUANTUM FACILITY IN THIS STATE, THE OFFICE  
3 SHALL NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT  
4 THE CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE QUALIFIED  
5 APPLICANT SHALL ADD THE FULL AMOUNT OF THE CREDIT THAT WAS  
6 ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S INCOME TAX OR  
7 REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN AS A  
8 RECAPTURED CREDIT FOR THE TAXABLE YEAR IN WHICH THE CREDIT IS  
9 DISALLOWED PURSUANT TO THIS SUBSECTION (10).

10 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO  
11 SUBSECTION (10)(a) OF THIS SECTION DOES NOT APPLY IF:

12 (I) ALL OR PART OF THE SHARED QUANTUM FACILITY EXPERIENCES  
13 A CASUALTY LOSS AND IF THE QUALIFYING FIXED CAPITAL ASSETS LOST  
14 ARE RESTORED WITHIN A REASONABLE PERIOD ESTABLISHED BY THE  
15 OFFICE;

16 (II) SOLELY BY REASON OF THE DISPOSITION OF LAND, A BUILDING,  
17 A STRUCTURE, OR A FACILITY, OR AN INTEREST THEREIN, THE SHARED  
18 QUANTUM FACILITY IS RELOCATED WITHIN THIS STATE TO A PROPERTY  
19 APPROVED BY THE OFFICE; OR

20 (III) A QUALIFYING FIXED CAPITAL ASSET IS REPLACED OR  
21 UPGRADED IN THE NORMAL COURSE OF ITS USE.

22 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS  
23 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (10), INCLUDING  
24 REQUIREMENTS REGARDING THE REPORTING OF A DISPOSITION OF A  
25 BUILDING, STRUCTURE, OR FACILITY BY THE QUALIFIED APPLICANT.

26 (II) IF A DISPUTE ARISES ABOUT WHETHER A BUILDING,  
27 STRUCTURE, OR FACILITY IS A SHARED QUANTUM FACILITY, THE OFFICE

1 SHALL ADJUDICATE THE DISPUTE AND NOTIFY THE DEPARTMENT OF THE  
2 RESOLUTION.

3 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A BUILDING,  
4 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IS DISPOSED OF  
5 DURING ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, AND  
6 THEREAFTER THE BUILDING, STRUCTURE, OR FACILITY OR ANY  
7 REPLACEMENT FOR THE BUILDING, STRUCTURE, OR FACILITY IS NOT A  
8 SHARED QUANTUM FACILITY, THEN:

9 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF  
10 THE CREDIT TO ITS RETURN AS A RECAPTURED CREDIT FOR THE TAXABLE  
11 YEAR IN WHICH THE CREDIT IS DISALLOWED PURSUANT TO THIS  
12 SUBSECTION (10) NOTWITHSTANDING THE DISPOSITION OF THE BUILDING,  
13 STRUCTURE, OR FACILITY;

14 (B) THE STATUTORY PERIOD FOR THE ASSESSMENT OF ANY  
15 DEFICIENCY WITH RESPECT TO THE DISALLOWED CREDIT MUST NOT EXPIRE  
16 BEFORE THE EXPIRATION OF THREE YEARS FROM THE DATE THE OFFICE IS  
17 NOTIFIED, IN SUCH A MANNER AS THE OFFICE DETERMINES, THAT THE  
18 PROJECT IS NOT AN ELIGIBLE PROJECT; AND

19 (C) THE DEPARTMENT SHALL ASSESS ANY DEFICIENCY BEFORE THE  
20 EXPIRATION OF SUCH THREE-YEAR PERIOD TOGETHER WITH ANY  
21 APPLICABLE INTEREST AND PENALTY IMPOSED PURSUANT TO THIS ARTICLE  
22 22.

23 (d) AS USED IN THIS SUBSECTION (10), UNLESS THE CONTEXT  
24 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF  
25 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED  
26 APPLICANT PLACED THE ELIGIBLE PROJECT OR THE INITIAL PHASE OF THE  
27 ELIGIBLE PROJECT IN SERVICE.



1           (11) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2027, AND,  
2 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO  
3 LATER THAN DECEMBER 31 OF EACH TWO YEARS THEREAFTER THROUGH  
4 2033, THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL  
5 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE  
6 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS  
7 SECTION, THE REPORT MUST INCLUDE:

- 8           (I) A DESCRIPTION OF EACH ELIGIBLE PROJECT PLACED IN SERVICE;
- 9           (II) A DESCRIPTION OF THE USE OR USES OF THE ELIGIBLE PROJECT;
- 10          (III) THE NUMBER AND QUALITY OF JOBS SUPPORTED IN THE  
11 QUANTUM INDUSTRY AS A RESULT OF THE ELIGIBLE PROJECT;
- 12          (IV) THE NUMBER OF QUANTUM BUSINESSES THAT HAVE BEEN  
13 SUPPORTED THROUGH THE ELIGIBLE PROJECT;
- 14          (V) AN OVERVIEW OF THE TYPES OF INTELLECTUAL PROPERTY  
15 THAT HAVE BEEN ADVANCED THROUGH THE ELIGIBLE PROJECT; AND
- 16          (VI) THE AMOUNT OF FEDERAL MONEY THAT HAS BEEN AWARDED  
17 TO THE ELIGIBLE FACILITY.

18          (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO  
19 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME  
20 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH  
21 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE  
22 OFFICE ISSUES A TAX CREDIT CERTIFICATE FOR THE PRECEDING TAX YEAR  
23 THAT INCLUDES THE FOLLOWING INFORMATION:

- 24           (I) THE QUALIFIED APPLICANT'S NAME;
- 25           (II) THE AMOUNT OF THE CREDIT; AND
- 26           (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR  
27 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL

1 EMPLOYER IDENTIFICATION NUMBER.

2 (12) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND  
3 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO  
4 FURTHER IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR THE  
5 COMPLETION OF ELIGIBLE PROJECTS PURSUANT TO THIS SECTION AND  
6 SHALL SOLICIT ADVICE FROM THE DEPARTMENT AND QUANTUM INDUSTRY  
7 PARTICIPANTS IN CREATING AND MODIFYING SUCH POLICIES, PROCEDURES,  
8 AND GUIDELINES.

9 (b) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION  
10 AS TO WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT  
11 PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION, THE OFFICE SHALL  
12 DEVELOP STANDARDS THAT INCLUDE, BUT ARE NOT LIMITED TO:

13 (I) PERFORMANCE STANDARDS AND GUIDELINES FOR A SHARED  
14 QUANTUM FACILITY;

15 (II) A DETAILED COST ESTIMATE FOR THE PROJECT PLAN;

16 (III) EVIDENCE OF SITE CONTROL OF THE SITE WHERE THE PROJECT  
17 WILL OCCUR; AND

18 (IV) THE FINANCING OR FUNDING THAT IS AVAILABLE FOR THE  
19 PROJECT PLAN.

20 (c) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION  
21 AS TO WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT  
22 PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION, THE OFFICE SHALL  
23 CONSIDER JOB QUALITY STANDARDS AND GUIDELINES FOR THE SHARED  
24 QUANTUM FACILITY THAT ADHERE TO THE "GOOD JOBS PRINCIPLES"  
25 ESTABLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AND  
26 UNITED STATES DEPARTMENT OF COMMERCE.

27 (13) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER

1 31, 2050.

2 **39-22-561. Quantum business loan loss reserve income tax**  
3 **credit - tax preference performance statement - definitions - repeal.**

4 (1) **Tax preference performance statement.** IN ACCORDANCE WITH  
5 SECTION 39-21-304(1), WHICH REQUIRES EACH BILL THAT CREATES A NEW  
6 TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE  
7 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE  
8 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

9 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT  
10 ALLOWED BY THIS SECTION ARE:

11 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;

12 AND

13 (II) TO IMPROVE INDUSTRY COMPETITIVENESS;

14 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT  
15 ALLOWED BY THIS SECTION IS TO SUPPORT AND FACILITATE THE  
16 DEVELOPMENT OF THE QUANTUM BUSINESS ECOSYSTEM AND HIGH  
17 QUALITY JOBS IN THE STATE BY ENCOURAGING QUALIFIED APPLICANTS TO  
18 MAKE LOANS THAT THE QUALIFIED APPLICANTS MIGHT NOT OTHERWISE  
19 MAKE OR AT MORE FAVORABLE TERMS THAN THEY WOULD OTHERWISE  
20 MAKE TO BORROWERS THAT HAVE LIMITED ACCESS TO CAPITAL; AND

21 (c) THE GENERAL ASSEMBLY AND STATE AUDITOR SHALL MEASURE  
22 THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSES SPECIFIED  
23 IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION BASED ON THE  
24 INFORMATION REPORTED BY THE ADMINISTRATOR PURSUANT TO  
25 SUBSECTION (11) OF THIS SECTION.

26 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
27 OTHERWISE REQUIRES:

1 (a) "ADMINISTRATOR" MEANS THE OFFICE, A THIRD PARTY  
2 SELECTED BY THE OFFICE, OR THE THIRD PARTY WORKING IN COMBINATION  
3 WITH THE OFFICE TO ADMINISTER THE TAX CREDIT CREATED IN THIS  
4 SECTION.

5 (b) "BORROWER" MEANS A QUANTUM COMPANY DOING BUSINESS  
6 IN COLORADO THAT IS AN EARLY-STAGE OR GROWTH-STAGE COMPANY AT  
7 THE TIME A QUALIFIED APPLICANT MAKES A LOAN TO THE COMPANY AND  
8 THAT, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (12)(c) OF THIS  
9 SECTION, HAD AN ANNUAL REVENUE OF LESS THAN ONE HUNDRED MILLION  
10 DOLLARS IN THE YEAR PRIOR TO THE YEAR IN WHICH A QUALIFIED  
11 APPLICANT MADE A LOAN TO THE COMPANY.

12 (c) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF  
13 REVENUE.

14 (d) "ELIGIBLE LOAN" MEANS A LOAN MADE BY A QUALIFIED  
15 APPLICANT TO A BORROWER.

16 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
17 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

18 (f) "QUALIFIED APPLICANT" MEANS A COMMERCIAL BANK,  
19 DEPOSITORY INSTITUTION, PRIVATE LENDING FUND, OR OTHER ENTITY  
20 THAT MAKES LOANS FOR COMMERCIAL PURPOSES AND MAKES A LOAN TO  
21 A BORROWER.

22 (g) "QUANTUM COMPANY" MEANS A PRIVATE FOR-PROFIT OR  
23 NONPROFIT ORGANIZATION THAT HAS QUANTUM TECHNOLOGY AS A KEY  
24 PART OF ITS BUSINESS MODEL, INCLUDING BUT NOT LIMITED TO  
25 MANUFACTURING, TESTING, PRODUCTION, RESEARCH AND DEVELOPMENT,  
26 OR ENHANCEMENT OF HARDWARE OR SOFTWARE TO PERFORM OR USE  
27 QUANTUM TECHNOLOGY AS A KEY INPUT OR OUTPUT OF ITS BUSINESS

1 MODEL, AND COMPANIES THAT PRODUCE GOODS OR SERVICES THAT ARE  
2 KEY INPUTS FOR OTHER QUANTUM COMPANIES.

3 (h) "REGISTERED LOAN" MEANS AN ELIGIBLE LOAN MADE TO A  
4 BORROWER THAT IS REGISTERED WITH THE ADMINISTRATOR PURSUANT TO  
5 SUBSECTION (7)(a) OF THIS SECTION.

6 (3) **Credit allowed.** (a) SUBJECT TO THE PROVISIONS OF  
7 SUBSECTION (3)(c) OF THIS SECTION, FOR INCOME TAX YEARS  
8 COMMENCING ON OR AFTER JANUARY 1, 2026, BUT PRIOR TO JANUARY 1,  
9 2046, A QUALIFIED APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME  
10 TAXES IMPOSED BY THIS ARTICLE 22 TO OFFSET LOSSES INCURRED IN  
11 CONNECTION WITH ONE OR MORE REGISTERED LOANS IN AN AMOUNT  
12 SPECIFIED ON THE REGISTERED LOAN LOSS CERTIFICATE ISSUED BY THE  
13 ADMINISTRATOR PURSUANT TO SUBSECTION (8) OF THIS SECTION; EXCEPT  
14 THAT, IF A QUALIFIED TAXPAYER CLAIMS MORE THAN ONE REGISTERED  
15 LOAN LOSS, IN NO EVENT MAY THE AGGREGATE REGISTERED LOAN LOSSES  
16 CLAIMED BY THE QUALIFIED TAXPAYER EXCEED THE TOTAL AMOUNT  
17 SPECIFIED ON THE TAX CREDIT CERTIFICATES ISSUED PURSUANT TO  
18 SUBSECTION (7) OF THIS SECTION.

19 (b) TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION,  
20 THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION AS SPECIFIED IN  
21 SUBSECTION (5) OF THIS SECTION, MAKE AN ELIGIBLE LOAN AND REGISTER  
22 THE ELIGIBLE LOAN PRIOR TO JUNE 30, 2036, OBTAIN A TAX CREDIT  
23 CERTIFICATE FROM THE ADMINISTRATOR AS SPECIFIED IN SUBSECTION (7)  
24 OF THIS SECTION, INCUR A LOSS IN CONNECTION WITH A REGISTERED LOAN  
25 AND OBTAIN A REGISTERED LOAN LOSS CERTIFICATE FROM THE  
26 ADMINISTRATOR AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION PRIOR  
27 TO JANUARY 1, 2045, AND, ONCE ISSUED BY THE ADMINISTRATOR, FILE THE

1 TAX CREDIT CERTIFICATE AND THE REGISTERED LOAN LOSS CERTIFICATE  
2 WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS SPECIFIED IN  
3 SUBSECTION (9) OF THIS SECTION.

4 (c) THE ADMINISTRATOR SHALL DETERMINE THE METHOD IT WILL  
5 USE TO DISTRIBUTE TAX CREDIT CERTIFICATES TO QUALIFIED APPLICANTS  
6 PURSUANT TO SUBSECTION (7) OF THIS SECTION. IN SELECTING THE  
7 DISTRIBUTION METHOD USED TO DISTRIBUTE THE TAX CREDIT  
8 CERTIFICATES, THE ADMINISTRATOR MAY CONSULT WITH QUANTUM  
9 INDUSTRY PARTICIPANTS. THE DISTRIBUTION METHOD MAY BE:

10 (I) ON A FIRST-COME, FIRST-SERVED BASIS TO QUALIFIED  
11 APPLICANTS WHO APPLY TO THE ADMINISTRATOR FOR A TAX CREDIT  
12 PURSUANT TO SUBSECTION (5) OF THIS SECTION FOR ONE OR MORE  
13 ELIGIBLE LOANS EACH, AFTER THE QUALIFIED APPLICANT HAS MADE THE  
14 LOAN;

15 (II) BASED ON A COMPETITIVE LENDER SELECTION PROCESS WHERE  
16 THE ADMINISTRATOR CHOOSES WHICH LENDERS ARE ELIGIBLE TO APPLY  
17 FOR THE TAX CREDIT ALLOWED BY THIS SECTION IN ADVANCE OF  
18 ACCEPTING APPLICATIONS AND REQUESTS TO REGISTER LOANS AND IN  
19 ADVANCE OF ISSUING TAX CREDITS. IN SELECTING LENDERS TO BE  
20 ALLOWED A TAX CREDIT PURSUANT TO THIS SECTION, THE ADMINISTRATOR  
21 MAY ALLOCATE SOME OR ALL OF THE CREDITS SOLELY TO SELECTED  
22 LENDERS. IF THE ADMINISTRATOR USES THIS DISTRIBUTION METHOD, THE  
23 SELECTED LENDERS ARE THE ONLY QUALIFIED APPLICANTS THAT ARE  
24 ALLOWED TO APPLY TO THE ADMINISTRATOR, REQUEST REGISTRATION OF  
25 THE LOAN, AND BE ISSUED A TAX CREDIT CERTIFICATE AND REGISTERED  
26 LOAN LOSS CERTIFICATE PURSUANT TO THIS SECTION.

27 (III) A COMBINATION OF THE METHODS DESCRIBED IN

1 SUBSECTIONS (3)(c)(I) AND (3)(c)(II) OF THIS SECTION.

2 (d) THE TAX CREDIT CREATED IN THIS SECTION IS NOT ALLOWED TO  
3 ANY QUALIFIED APPLICANT UNLESS A COLORADO-BASED ENTITY RECEIVES  
4 A MULTI-MILLION DOLLAR FEDERAL GRANT FROM THE ECONOMIC  
5 DEVELOPMENT ADMINISTRATION FOR THE REGIONAL TECHNOLOGY AND  
6 INNOVATION PROGRAM OR A COMPARABLE FEDERAL GRANT PROGRAM.

7 (4) **Credit administration.** (a) EXCEPT AS OTHERWISE PROVIDED  
8 IN SUBSECTION (4)(b) OF THIS SECTION, THE OFFICE IS THE ADMINISTRATOR  
9 OF THE CREDIT ALLOWED PURSUANT TO THIS SECTION. THE OFFICE MAY  
10 WORK WITH A THIRD-PARTY PROGRAM ADMINISTRATOR SELECTED BY THE  
11 OFFICE TO ASSIST IN ADMINISTERING THE CREDIT. IN ADDITION, THE OFFICE  
12 MAY CONTRACT WITH THE COLORADO HOUSING AND FINANCE AUTHORITY  
13 CREATED IN SECTION 29-4-704 WITHOUT RECOURSE TO A COMPETITIVE  
14 PROCESS TO PROVIDE SERVICES TO THE OFFICE IN ITS ROLE AS THE  
15 ADMINISTRATOR.

16 (b) IN LIEU OF THE OFFICE SERVING AS THE ADMINISTRATOR  
17 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE OFFICE MAY  
18 CONTRACT WITH ANOTHER ENTITY TO BE THE ADMINISTRATOR. HOWEVER,  
19 IF THE OFFICE CONTRACTS WITH ANOTHER ENTITY TO BE THE  
20 ADMINISTRATOR, THEN THE OFFICE MUST SELECT THE THIRD-PARTY  
21 ADMINISTRATOR USING A COMPETITIVE SELECTION PROCESS.

22 (5) **Application submission and request for loan registration.**

23 (a) AN APPLICANT THAT HAS MADE A LOAN FOR THE PURPOSES OF THE  
24 TAX CREDIT ALLOWED PURSUANT TO THIS SECTION MAY SUBMIT AN  
25 APPLICATION FOR A TAX CREDIT CERTIFICATE DESCRIBED IN SUBSECTION  
26 (7) OF THIS SECTION AND REQUEST THAT THE ADMINISTRATOR REGISTER  
27 THE LOAN PURSUANT TO THIS SUBSECTION (5) ON OR AFTER JANUARY 1,

1 2025, BUT NO LATER THAN JUNE 30, 2036.

2 (b) (I) THE ADMINISTRATOR SHALL REVIEW ALL SUBMITTED  
3 APPLICATIONS TO:

4 (A) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED  
5 APPLICANT;

6 (B) DETERMINE WHETHER THE QUANTUM COMPANY THAT IS THE  
7 LOAN RECIPIENT IS A BORROWER;

8 (C) DETERMINE WHETHER THE APPLICATION IS COMPLETE AND  
9 INCLUDES A DESCRIPTION OF THE LOAN THAT THE QUALIFIED APPLICANT  
10 MADE OR WILL MAKE TO A BORROWER AND A DESCRIPTION OF THE  
11 PURPOSES FOR WHICH THE BORROWER WILL USE THE LOAN;

12 (D) MAKE A DETERMINATION OF WHETHER THE LOAN IS AN  
13 ELIGIBLE LOAN AND WHETHER THE ADMINISTRATOR MAY REGISTER THE  
14 LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION; AND

15 (E) DETERMINE WHETHER, BASED ON THE ELIGIBLE LOAN, THE  
16 QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT CERTIFICATE AS  
17 SPECIFIED IN SUBSECTION (7) OF THIS SECTION.

18 (II) IF THE ADMINISTRATOR DETERMINES THAT AN APPLICATION IS  
19 INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE DETERMINATIONS  
20 SPECIFIED IN SUBSECTION (5)(b)(I) OF THIS SECTION, THE ADMINISTRATOR  
21 SHALL NOTIFY THE APPLICANT IN WRITING OF THE ADMINISTRATOR'S  
22 DECISION AND SHALL NOT REVIEW ANY LOAN TO DETERMINE WHETHER  
23 THE LOAN MAY BE REGISTERED PURSUANT TO SUBSECTION (5)(c) OF THIS  
24 SECTION.

25 (c) (I) TO BE ELIGIBLE TO RECEIVE A TAX CREDIT CERTIFICATE  
26 PURSUANT TO SUBSECTION (7) OF THIS SECTION, A QUALIFIED APPLICANT  
27 MUST REQUEST THAT THE ADMINISTRATOR REGISTER THE LOAN FOR WHICH



1 THE TAX CREDIT APPLICATION WAS SUBMITTED PURSUANT TO THIS  
2 SUBSECTION (5). TO REGISTER A LOAN, A QUALIFIED APPLICANT MUST  
3 PROVIDE THE FOLLOWING INFORMATION TO THE ADMINISTRATOR:

4 (A) THE NAME OF THE BORROWER AND THE LOCATION WHERE THE  
5 BORROWER IS DOING BUSINESS;

6 (B) THE AMOUNT AND TERMS OF THE LOAN ISSUED TO THE  
7 BORROWER BY THE QUALIFIED APPLICANT;

8 (C) THE PURPOSES FOR WHICH THE BORROWER WILL USE THE  
9 LOAN;

10 (D) AN AFFIDAVIT REGARDING HOW THE TAX CREDIT ALLOWED  
11 PURSUANT TO THIS SECTION INDUCED THE QUALIFIED APPLICANT TO MAKE  
12 THE LOAN TO THE BORROWER OR IMPROVE THE TERMS OF THE LOAN  
13 BEYOND WHAT NORMAL MARKET CONDITIONS WOULD PROVIDE;

14 (E) CERTIFICATION FROM THE BORROWER THAT THE BORROWER  
15 WILL PRIMARILY USE THE PROCEEDS OF THE LOAN FROM THE QUALIFIED  
16 APPLICANT TO CONTINUE OR EXPAND THE BORROWER'S QUANTUM  
17 BUSINESS OPERATIONS IN COLORADO; ■

18 (F) AN AFFIDAVIT FROM THE BORROWER CONFIRMING THAT THE  
19 BORROWER WILL ADHERE TO EXISTING LABOR PROTECTION LAWS; AND

20 (G) ANY OTHER INFORMATION THAT THE ADMINISTRATOR DEEMS  
21 NECESSARY.

22 (II) THE ADMINISTRATOR SHALL REVIEW THE INFORMATION  
23 SUBMITTED PURSUANT TO SUBSECTION (5)(c)(I) OF THIS SECTION AND  
24 DETERMINE WHETHER THE LOAN IS AN ELIGIBLE LOAN. IF THE  
25 ADMINISTRATOR DETERMINES THAT THE LOAN THAT IS THE BASIS OF THE  
26 APPLICATION SUBMITTED PURSUANT TO THIS SUBSECTION (5) IS AN  
27 ELIGIBLE LOAN, THE ADMINISTRATOR SHALL DETERMINE THE AMOUNT OF

1 THE REGISTRATION AND ISSUANCE FEE DESCRIBED IN SUBSECTION (6)(a)  
2 OF THIS SECTION AS UP TO EIGHT PERCENT OF THE AMOUNT THAT WILL BE  
3 SPECIFIED ON THE TAX CREDIT CERTIFICATE AS DESCRIBED IN SUBSECTION  
4 (7)(d)(I) OF THIS SECTION, AND SHALL COLLECT THE FEE FROM THE  
5 QUALIFIED APPLICANT OR THE BORROWER TO WHICH A QUALIFIED  
6 APPLICANT MADE AN ELIGIBLE LOAN. ONCE THE REGISTRATION AND  
7 ISSUANCE FEE IS COLLECTED, THE ADMINISTRATOR SHALL REGISTER THE  
8 LOAN, KEEP RECORDS OF THE LOAN PURSUANT TO SUBSECTION (8)(a) OF  
9 THIS SECTION, AND MAY ISSUE THE TAX CREDIT CERTIFICATE AS SPECIFIED  
10 IN SUBSECTION (7) OF THIS SECTION. IF THE ADMINISTRATOR DETERMINES  
11 THAT THE LOAN THAT IS THE BASIS OF THE APPLICATION SUBMITTED  
12 PURSUANT TO THIS SUBSECTION (5) IS NOT AN ELIGIBLE LOAN, THE  
13 ADMINISTRATOR SHALL NOTIFY THE QUALIFIED APPLICANT AND SHALL NOT  
14 REGISTER THE LOAN.

15 (III) THE ADMINISTRATOR MAY ESTABLISH POLICIES AND  
16 PROCEDURES THAT SPECIFY ADDITIONAL REQUIREMENTS FOR LOANS TO BE  
17 DESIGNATED AS ELIGIBLE LOANS AND FOR LOANS TO BE REGISTERED  
18 PURSUANT TO THIS SUBSECTION (5)(c).

19 (d) THE ADMINISTRATOR SHALL MAKE THE DETERMINATIONS  
20 SPECIFIED IN SUBSECTIONS (5)(b) AND (5)(c) OF THIS SECTION WITHIN  
21 NINETY DAYS OF THE DATE THE ADMINISTRATOR RECEIVES THE COMPLETE  
22 APPLICATION AND REQUEST FOR LOAN REGISTRATION.

23 (e) THE ADMINISTRATOR MAY DEVELOP A PROCESS THAT ALLOWS  
24 A POTENTIAL APPLICANT FOR A TAX CREDIT PURSUANT TO THIS SECTION TO  
25 PROVIDE INFORMATION TO THE ADMINISTRATOR REGARDING A LOAN THAT  
26 IT PLANS TO MAKE TO A BORROWER AND TO REQUEST THAT THE  
27 ADMINISTRATOR ADVISE THE POTENTIAL APPLICANT REGARDING WHETHER

1 THE LOAN, IF MADE, IS AN ELIGIBLE LOAN THAT CAN BE REGISTERED  
2 PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION. ANY POTENTIAL  
3 APPLICANT THAT REQUESTS ADVICE FROM THE ADMINISTRATOR PURSUANT  
4 TO THIS SUBSECTION (5)(e) AND THEN MAKES A LOAN IS REQUIRED TO  
5 SUBMIT AN APPLICATION AND REQUEST THAT THE LOAN BE REGISTERED  
6 PURSUANT TO THIS SUBSECTION (5) BEFORE THE ADMINISTRATOR ISSUES  
7 A TAX CREDIT CERTIFICATE PURSUANT TO SUBSECTION (7) OF THIS  
8 SECTION.

9 **(6) Registration and issuance fee.** (a) THE ADMINISTRATOR  
10 SHALL IMPOSE ON AND COLLECT FROM A QUALIFIED APPLICANT OR THE  
11 BORROWER TO WHICH A QUALIFIED APPLICANT MADE AN ELIGIBLE LOAN  
12 A REASONABLE REGISTRATION AND ISSUANCE FEE PURSUANT TO  
13 SUBSECTION (5)(c)(II) OF THIS SECTION.

14 (b) THE ADMINISTRATOR SHALL TRANSFER ANY FEE REVENUE  
15 COLLECTED OR PAID TO THE OFFICE PURSUANT TO THIS SUBSECTION (6) TO  
16 THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND CREATED IN  
17 SUBSECTION (13) OF THIS SECTION.

18 **(7) Tax credit certificate - loan registration - pooled loan loss**  
19 **reserve.** (a) TO RECEIVE A TAX CREDIT CERTIFICATE PURSUANT TO THIS  
20 SUBSECTION (7), A QUALIFIED APPLICANT MUST FIRST APPLY TO THE  
21 ADMINISTRATOR FOR THE ISSUANCE OF A TAX CREDIT CERTIFICATE AND  
22 REGISTER THE LOAN FOR WHICH THE TAX CREDIT APPLICATION WAS  
23 SUBMITTED PURSUANT TO SUBSECTION (5) OF THIS SECTION.

24 (b) (I) ON THE BASIS OF ANY LOAN THAT IS REGISTERED PURSUANT  
25 TO SUBSECTION (5)(c) OF THIS SECTION, THE ADMINISTRATOR MAY  
26 DETERMINE THAT A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT  
27 CERTIFICATE IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE

1 ADMINISTRATOR SHALL ISSUE THE TAX CREDIT CERTIFICATE SUBJECT TO  
2 THE LIMITATIONS SET FORTH IN THIS SUBSECTION (7) AND IN ACCORDANCE  
3 WITH THE POLICIES AND PROCEDURES ESTABLISHED PURSUANT TO  
4 SUBSECTION (12) OF THIS SECTION. THE ADMINISTRATOR SHALL NOT ISSUE  
5 TAX CREDIT CERTIFICATES AFTER SEPTEMBER 30, 2036.

6 (II) THE ADMINISTRATOR MAY, BEFORE ISSUING A TAX CREDIT  
7 CERTIFICATE PURSUANT TO THIS SUBSECTION (7), ESTABLISH ADDITIONAL  
8 POLICIES OR PROCEDURES FOR A QUALIFIED APPLICANT TO BE ELIGIBLE FOR  
9 THE ISSUANCE OF A TAX CREDIT CERTIFICATE.

10 (c) IF THE ADMINISTRATOR ISSUES A TAX CREDIT CERTIFICATE TO  
11 A QUALIFIED APPLICANT, THE ADMINISTRATOR SHALL NOTIFY THE  
12 QUALIFIED APPLICANT IN WRITING OF THE CERTIFICATE AND THE AMOUNT  
13 OF THE CERTIFICATE. THE ISSUANCE OF A TAX CREDIT CERTIFICATE BY THE  
14 ADMINISTRATOR FOR A QUALIFIED APPLICANT DOES NOT ENTITLE THE  
15 QUALIFIED APPLICANT TO CLAIM THE CREDIT UNTIL THE QUALIFIED  
16 APPLICANT HAS BEEN ISSUED A REGISTERED LOAN LOSS CERTIFICATE  
17 PURSUANT TO SUBSECTION (8) OF THIS SECTION.

18 (d) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (7)(d),  
19 IF APPROVED, THE ADMINISTRATOR MAY ISSUE A TAX CREDIT CERTIFICATE  
20 TO A QUALIFIED APPLICANT FOR ONE OR MORE ELIGIBLE LOANS IN AN  
21 AMOUNT UP TO FIFTEEN CENTS FOR EVERY DOLLAR OF AN ELIGIBLE LOAN  
22 THAT THE QUALIFIED APPLICANT HAS MADE OR WILL MAKE.

23 (II) THE AGGREGATE AMOUNT OF ALL TAX CREDIT CERTIFICATES  
24 THAT THE ADMINISTRATOR MAY ISSUE PURSUANT TO THIS SECTION MUST  
25 NOT EXCEED THIRTY MILLION DOLLARS.

26 (III) THE ADMINISTRATOR MAY ESTABLISH POLICIES AND  
27 PROCEDURES TO SET THE AMOUNT OF THE TAX CREDIT CERTIFICATE ISSUED

1 ON THE BASIS OF A REGISTERED LOAN AT OR BELOW FIFTEEN CENTS FOR  
2 EVERY DOLLAR OF THE REGISTERED LOAN OR CHANGE THE AMOUNT OF  
3 THE CREDIT ALLOWED FROM TIME TO TIME FOR CREDIT CERTIFICATES THAT  
4 HAVE NOT YET BEEN ISSUED. THE ADMINISTRATOR MAY ALSO CAP THE  
5 TOTAL AMOUNT OF ANY TAX CREDIT CERTIFICATES ISSUED TO A QUALIFIED  
6 APPLICANT PURSUANT TO THIS SUBSECTION (7), DETERMINE A CAP ON THE  
7 TOTAL AMOUNT OF A TAX CREDIT CERTIFICATE ALLOWED TO A QUALIFIED  
8 APPLICANT FOR A SINGLE ELIGIBLE LOAN TO A SINGLE BORROWER OR IN  
9 THE AGGREGATE FOR MULTIPLE ELIGIBLE LOANS TO ONE OR MORE  
10 BORROWERS, OR DETERMINE ANY OTHER CAPS DEEMED NECESSARY BY THE  
11 ADMINISTRATOR. THE ADMINISTRATOR SHALL MAKE THE POLICIES AND  
12 PROCEDURES SPECIFIED IN THIS SUBSECTION (7)(d)(III) BASED ON MARKET  
13 CONDITIONS AND OTHER FACTORS DETERMINED TO BE RELEVANT BY THE  
14 ADMINISTRATOR. IF THE OFFICE IS NOT THE ADMINISTRATOR, THE OFFICE  
15 SHALL APPROVE THE ADMINISTRATOR'S FINAL DECISIONS ON POLICIES AND  
16 PROCEDURES.

17 (e) THE ADMINISTRATOR SHALL DISTRIBUTE THE TAX CREDIT  
18 CERTIFICATES IN THE MANNER THAT THE ADMINISTRATOR DETERMINES  
19 PURSUANT TO SUBSECTION (3)(c) OF THIS SECTION.

20 (f) EACH QUALIFIED APPLICANT THAT IS ISSUED MORE THAN ONE  
21 TAX CREDIT CERTIFICATE PURSUANT TO THIS SUBSECTION (7) SHALL HOLD  
22 THE CREDIT CERTIFICATES ISSUED TO THE QUALIFIED APPLICANT IN A  
23 POOLED LOAN LOSS RESERVE OF ALL TAX CREDIT CERTIFICATES ISSUED TO  
24 THAT QUALIFIED APPLICANT. A QUALIFIED APPLICANT MAY USE ALL OR  
25 ANY PORTION OF THE CREDIT CERTIFICATES ISSUED TO THAT QUALIFIED  
26 APPLICANT TO OFFSET ANY LOSS INCURRED BY THAT QUALIFIED APPLICANT  
27 IN CONNECTION WITH ONE OR MORE REGISTERED LOANS, SUBJECT TO THE

1 PROVISIONS OF SUBSECTION (8) OF THIS SECTION.

2 (g) THE ADMINISTRATOR MAY ALLOW A QUALIFIED APPLICANT TO  
3 REGISTER AN ELIGIBLE LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS  
4 SECTION AFTER THE ADMINISTRATOR HAS ISSUED THE TOTAL AMOUNT OF  
5 TAX CREDIT CERTIFICATES ALLOWED PURSUANT TO SUBSECTION (7)(d)(II)  
6 OF THIS SECTION OR THE AMOUNT OF CREDITS ALLOWED PURSUANT TO  
7 ANY OTHER CAP DETERMINED BY THE ADMINISTRATOR PURSUANT TO  
8 SUBSECTION (7)(d)(III) OF THIS SECTION. THE ADMINISTRATOR SHALL NOT  
9 ISSUE A CREDIT CERTIFICATE FOR ANY LOAN REGISTERED PURSUANT TO  
10 THIS SUBSECTION (7)(g), BUT THE QUALIFIED LENDER MAY USE ANY  
11 AMOUNT OF TAX CREDIT CERTIFICATES ALREADY ISSUED TO THE  
12 QUALIFIED LENDER AND NOT ALREADY CLAIMED PURSUANT TO  
13 SUBSECTION (9) OF THIS SECTION TO OFFSET ANY LOSS INCURRED IN  
14 CONNECTION WITH THE REGISTERED LOAN PURSUANT TO SUBSECTION (8)  
15 OF THIS SECTION.

16 (8) **Status of registered loans - proof of registered loan loss -**  
17 **issuance of registered loan loss certificate.** (a) (I) A QUALIFIED  
18 APPLICANT THAT WAS ISSUED A TAX CREDIT CERTIFICATE PURSUANT TO  
19 SUBSECTION (7) OF THIS SECTION SHALL PROVIDE PERIODIC UPDATES TO  
20 THE ADMINISTRATOR, IN A FORM, MANNER, AND FREQUENCY TO BE  
21 DETERMINED BY THE ADMINISTRATOR, REGARDING THE STATUS OF THE  
22 REGISTERED LOAN THAT IS THE BASIS OF THE CREDIT CERTIFICATE. IN  
23 ADDITION TO PERIODIC UPDATES, THE QUALIFIED APPLICANT SHALL NOTIFY  
24 THE ADMINISTRATOR WHEN ANY REGISTERED LOAN IS PAID OFF,  
25 EXTENDED, RENEWED, RESTRUCTURED OR REFINANCED, OR HAS BECOME  
26 PAST DUE OR NON-PERFORMING. A QUALIFIED APPLICANT THAT INCURS A  
27 LOSS ASSOCIATED WITH A REGISTERED LOAN SHALL NOTIFY THE

1 ADMINISTRATOR AND COMPLY WITH THE REQUIREMENTS OF SUBSECTION  
2 (8)(b) OF THIS SECTION BEFORE THE QUALIFIED APPLICANT IS ELIGIBLE TO  
3 RECEIVE A LOAN LOSS CERTIFICATE PURSUANT TO SUBSECTION (8)(d) OF  
4 THIS SECTION.

5 (II) THE ADMINISTRATOR SHALL KEEP A RECORD OF THE STATUS OF  
6 ALL REGISTERED LOANS MADE BY EACH QUALIFIED APPLICANT FOR WHICH  
7 THE ADMINISTRATOR ISSUED A CREDIT CERTIFICATE PURSUANT TO  
8 SUBSECTION (7) OF THIS SECTION.

9 (b) (I) A QUALIFIED APPLICANT THAT INCURS A LOSS IN  
10 CONNECTION WITH ONE OR MORE REGISTERED LOANS MAY APPLY TO THE  
11 ADMINISTRATOR FOR ISSUANCE OF A REGISTERED LOAN LOSS CERTIFICATE  
12 PURSUANT TO SUBSECTION (8)(d) OF THIS SECTION. BEFORE APPLYING FOR  
13 A REGISTERED LOAN LOSS CERTIFICATE, A QUALIFIED APPLICANT THAT HAS  
14 INCURRED A LOSS ASSOCIATED WITH ONE OR MORE REGISTERED LOANS  
15 SHALL CHARGE OFF ALL OR A PORTION OF THE OUTSTANDING BALANCE OF  
16 THE REGISTERED LOAN IN ACCORDANCE WITH THE QUALIFIED APPLICANT'S  
17 CUSTOMARY POLICIES AND PROCEDURES AND IN ACCORDANCE WITH THE  
18 REQUIREMENTS OF FEDERAL OR STATE REGULATORY AGENCIES. THE  
19 QUALIFIED APPLICANT SHALL CEASE TO ASSESS INTEREST ON THE  
20 REGISTERED LOAN IN ACCORDANCE WITH GENERALLY ACCEPTED  
21 ACCOUNTING PRINCIPLES AND AS REQUIRED BY FEDERAL AND STATE  
22 REGULATORY AGENCIES AND SHALL TAKE REASONABLE ACTIONS, AS  
23 DETERMINED BY THE ADMINISTRATOR, TO OBTAIN PARTIAL PAYMENTS AND  
24 RECOVERY, INCLUDING ACCESSING COLLATERAL AND LOAN GUARANTORS.

25 (II) A QUALIFIED APPLICANT SHALL SUBMIT TO THE  
26 ADMINISTRATOR, WITH THE QUALIFIED APPLICANT'S APPLICATION FOR A  
27 REGISTERED LOAN LOSS CERTIFICATE, EVIDENCE OF THE QUALIFIED

1 APPLICANT'S COMPLIANCE WITH THE PROVISIONS OF SUBSECTION (8)(b)(I)  
2 OF THIS SECTION AND EVIDENCE OF THE AMOUNT OF THE LOSS INCURRED  
3 IN CONNECTION WITH ONE OR MORE REGISTERED LOANS, INCLUDING  
4 OUT-OF-POCKET EXPENSES INCURRED BY THE QUALIFIED APPLICANT IN  
5 PURSUING RECOVERY OF THE REGISTERED LOAN. THE APPLICANT SHALL  
6 ALSO PROVIDE DOCUMENTS TO THE ADMINISTRATOR DEMONSTRATING  
7 THAT THE QUALIFIED APPLICANT SATISFIED ANY ADDITIONAL  
8 REQUIREMENTS IMPOSED BY THE ADMINISTRATOR PURSUANT TO  
9 SUBSECTION (12) OF THIS SECTION.

10 (c) (I) WITHIN NINETY DAYS AFTER RECEIPT OF THE COMPLETE  
11 APPLICATION FROM THE QUALIFIED APPLICANT SUBMITTED PURSUANT TO  
12 SUBSECTION (8)(b) OF THIS SECTION, THE ADMINISTRATOR SHALL REVIEW  
13 THE QUALIFIED APPLICANT'S DOCUMENTATION OF THE LOSS INCURRED IN  
14 CONNECTION WITH A REGISTERED LOAN AND DETERMINE WHETHER THE  
15 DOCUMENTATION SATISFIES THE REQUIREMENTS OF SUBSECTION (8)(b) OF  
16 THIS SECTION. IF THE ADMINISTRATOR DETERMINES THAT A QUALIFIED  
17 APPLICANT HAS FAILED TO COMPLY WITH THE REQUIREMENTS OF  
18 SUBSECTION (8)(b) OF THIS SECTION, THE ADMINISTRATOR SHALL  
19 PROMPTLY NOTIFY THE QUALIFIED APPLICANT IN WRITING AND SHALL NOT  
20 ISSUE A REGISTERED LOAN LOSS CERTIFICATE TO THE QUALIFIED  
21 APPLICANT.

22 (II) IF THE ADMINISTRATOR DETERMINES THAT THE  
23 DOCUMENTATION PROVIDED BY THE QUALIFIED APPLICANT SATISFIES THE  
24 REQUIREMENTS OF SUBSECTION (8)(b) OF THIS SECTION, THE  
25 ADMINISTRATOR SHALL DETERMINE THE TOTAL AMOUNT OF THE LOSS  
26 INCURRED IN CONNECTION WITH THE REGISTERED LOAN AND CERTIFY THE  
27 AMOUNT OF THE REGISTERED LOAN LOSS. THE AMOUNT OF THE CERTIFIED



1 LOAN LOSS DETERMINED BY THE ADMINISTRATOR SHALL BE AN AMOUNT  
2 EQUAL TO THE TOTAL OF THE OUTSTANDING AND UNRECOVERED  
3 PRINCIPAL AND ACCRUED INTEREST ON THE REGISTERED LOAN OR LOANS  
4 AND THE AMOUNT OF REASONABLE OUT-OF-POCKET EXPENSES INCURRED  
5 BY THE QUALIFIED APPLICANT IN PURSUING RECOVERY UNDER THE  
6 REGISTERED LOAN OR LOANS; EXCEPT THAT THE AMOUNT OF THE  
7 CERTIFIED LOAN LOSS DETERMINED BY THE ADMINISTRATOR SHALL NOT  
8 EXCEED THE ORIGINAL PRINCIPAL AMOUNT OF THE REGISTERED LOAN AS  
9 STATED IN THE DOCUMENTATION PROVIDED WHEN THE QUALIFIED  
10 APPLICANT REGISTERED THE ELIGIBLE LOAN. THE AMOUNT OF THE  
11 CERTIFIED LOAN LOSS SHALL NOT INCLUDE ANY AMOUNT ATTRIBUTABLE  
12 TO DAMAGES PAID BY THE QUALIFIED APPLICANT AS A RESULT OF A LEGAL  
13 CLAIM AGAINST THE QUALIFIED APPLICANT FOR NEGLIGENCE,  
14 MISCONDUCT, OR ANY OTHER ALLEGATION OF WRONGDOING OR ANY  
15 AMOUNT OF LATE CHARGES OR UNPAID DEFAULT INTEREST CHARGES  
16 IMPOSED ON THE BORROWER BY THE QUALIFIED APPLICANT.

17 (d) THE ADMINISTRATOR SHALL ISSUE A REGISTERED LOAN LOSS  
18 CERTIFICATE TO ANY QUALIFIED APPLICANT THAT HAS SATISFIED THE  
19 REQUIREMENTS OF SUBSECTION (8)(b) OF THIS SECTION IN THE AMOUNT OF  
20 THE CERTIFIED LOAN LOSS CALCULATED PURSUANT TO SUBSECTION (8)(c)  
21 OF THIS SECTION; EXCEPT THAT THE ADMINISTRATOR SHALL NOT ISSUE A  
22 REGISTERED LOAN LOSS CERTIFICATE THAT EXCEEDS THE TOTAL AMOUNT  
23 OF UNCLAIMED TAX CREDIT CERTIFICATES ISSUED TO THE QUALIFIED  
24 APPLICANT PURSUANT TO SUBSECTION (7) OF THIS SECTION. THE  
25 ADMINISTRATOR SHALL NOT ISSUE A REGISTERED LOAN LOSS CERTIFICATE  
26 BEFORE JANUARY 1, 2026, OR AFTER DECEMBER 31, 2045.

27 (9) **Filing tax credit certificate and registered loan loss**

1 **certificate with income tax return.** (a) TO CLAIM THE CREDIT  
2 AUTHORIZED BY THIS SECTION, A QUALIFIED APPLICANT SHALL FILE THE  
3 TAX CREDIT CERTIFICATE ISSUED BY THE ADMINISTRATOR PURSUANT TO  
4 SUBSECTION (7) OF THIS SECTION AND THE REGISTERED LOAN LOSS  
5 CERTIFICATE ISSUED BY THE ADMINISTRATOR PURSUANT TO SUBSECTION  
6 (8) OF THIS SECTION WITH THE QUALIFIED APPLICANT'S STATE INCOME TAX  
7 RETURN FOR THE INCOME TAX YEAR IN WHICH THE REGISTERED LOAN LOSS  
8 OCCURS. IF THE QUALIFIED APPLICANT IS EXEMPT FROM TAX PURSUANT TO  
9 SECTION 39-22-112 (1), THE QUALIFIED APPLICANT SHALL FILE A RETURN  
10 PURSUANT TO SECTION 39-22-601 (7)(b). THE AMOUNT OF THE TAX  
11 CREDIT THAT A QUALIFIED APPLICANT MAY CLAIM PURSUANT TO THIS  
12 SECTION IS THE AMOUNT STATED ON THE REGISTERED LOAN LOSS  
13 CERTIFICATE.

14 (b) A QUALIFIED APPLICANT MAY NOT CLAIM A CREDIT PURSUANT  
15 TO THIS SECTION FOR ANY INCOME TAX YEAR COMMENCING BEFORE  
16 JANUARY 1, 2026, OR AFTER DECEMBER 31, 2045. ANY TAX CREDIT  
17 CERTIFICATES AND REGISTERED LOAN LOSS CERTIFICATES THAT THE  
18 ADMINISTRATOR ISSUED, BUT FOR WHICH A TAX CREDIT HAS NOT BEEN  
19 CLAIMED PURSUANT TO SUBSECTION (9)(a) OF THIS SECTION BEFORE THE  
20 TAX YEAR COMMENCING ON JANUARY 1, 2046, EXPIRE AND NO LONGER  
21 HAVE VALUE.

22 (c) A QUALIFIED APPLICANT MAY CLAIM AN INCOME TAX CREDIT  
23 ALLOWED PURSUANT TO THIS SECTION MORE THAN ONCE, SO LONG AS THE  
24 QUALIFIED APPLICANT HAS REMAINING TAX CREDIT CERTIFICATES THAT IT  
25 HAS NOT YET FILED WITH THE DEPARTMENT PURSUANT TO THIS  
26 SUBSECTION (9), INCURS AN ADDITIONAL LOSS IN CONNECTION WITH A  
27 REGISTERED LOAN, AND IS ISSUED A REGISTERED LOAN LOSS CERTIFICATE

1 FOR THE ADDITIONAL LOSS PURSUANT TO SUBSECTION (8) OF THIS SECTION.

2 (d) A REGISTERED LOAN LOSS CERTIFICATE ISSUED TO A  
3 PARTNERSHIP, A LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP,  
4 OR MULTIPLE OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE  
5 PARTNERS, MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY  
6 THAT IS A PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA  
7 BASIS OR PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,  
8 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION  
9 METHOD.

10 (10) **Refundability.** THE ENTIRE TAX CREDIT TO BE ISSUED  
11 PURSUANT TO THIS SECTION MAY BE CLAIMED BY THE QUALIFIED  
12 APPLICANT IN THE TAXABLE YEAR IN WHICH THE QUALIFIED APPLICANT  
13 INCURS A LOSS IN CONNECTION WITH A REGISTERED LOAN. IF THE AMOUNT  
14 OF THE CREDIT ALLOWED PURSUANT TO THIS SECTION EXCEEDS THE  
15 AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE  
16 QUALIFIED APPLICANT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT  
17 IS BEING CLAIMED, OR THE QUALIFIED APPLICANT IS A PERSON WHO IS  
18 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112 (1), ONE  
19 HUNDRED PERCENT OF THE AMOUNT OF THE CREDIT NOT USED AS AN  
20 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO  
21 THE QUALIFIED APPLICANT.

22 (11) **Reporting.** (a) NO LATER THAN NOVEMBER 1, 2027, AND,  
23 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO  
24 LATER THAN NOVEMBER 1 OF EACH YEAR THEREAFTER THROUGH 2046,  
25 THE ADMINISTRATOR SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL  
26 ASSEMBLY ABOUT THE ACTIVITY IN CONNECTION WITH THE TAX CREDIT  
27 ALLOWED PURSUANT TO THIS SECTION IN THE PREVIOUS FISCAL YEAR AND

1 SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE PUBLIC. IN  
2 CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS SECTION, THE  
3 REPORT MUST INCLUDE, BUT NEED NOT BE LIMITED TO:

4 (I) THE NUMBER OF ELIGIBLE LOANS THAT HAVE BEEN REGISTERED  
5 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION;

6 (II) THE NUMBER OF REGISTERED LOANS FOR WHICH A QUALIFIED  
7 APPLICANT NOTIFIED THE ADMINISTRATOR OF A LOAN LOSS PURSUANT TO  
8 SUBSECTION (8)(a) OF THIS SECTION;

9 (III) A LIST OF EACH QUANTUM BUSINESS IN THE STATE THAT IS A  
10 BORROWER PURSUANT TO THIS SECTION; AND

11 (IV) A SUMMARY OF THE BORROWER'S USE OR USES OF EACH  
12 REGISTERED LOAN AND THE IMPACT THAT THE LOANS HAVE HAD ON THE  
13 DEVELOPMENT OF QUANTUM BUSINESSES IN THIS STATE.

14 (b) THE ADMINISTRATOR SHALL, IN A SUFFICIENTLY TIMELY  
15 MANNER TO ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING  
16 THE INCOME TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE  
17 DEPARTMENT WITH AN ELECTRONIC REPORT OF EACH QUALIFIED  
18 APPLICANT TO WHICH THE OFFICE ISSUES A TAX CREDIT CERTIFICATE AND  
19 A REGISTERED LOAN LOSS CERTIFICATE FOR THE PRECEDING TAX YEAR  
20 THAT INCLUDES THE FOLLOWING INFORMATION:

21 (I) THE QUALIFIED APPLICANT'S NAME;

22 (II) THE AMOUNT OF THE CREDIT AS STATED IN THE REGISTERED  
23 LOAN LOSS CERTIFICATE; AND

24 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR  
25 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL  
26 EMPLOYER IDENTIFICATION NUMBER.

27 (12) **Policies and procedures.** (a) THE ADMINISTRATOR MAY

1 CREATE AND MODIFY POLICIES, PROCEDURES, AND GUIDELINES AND  
2 SPECIFY ADDITIONAL REQUIREMENTS AS NECESSARY TO FURTHER  
3 IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR MAKING ELIGIBLE  
4 LOANS PURSUANT TO THIS SECTION AND SHALL SOLICIT ADVICE FROM THE  
5 DEPARTMENT AND FROM QUANTUM INDUSTRY PARTICIPANTS IN CREATING  
6 AND MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

7 (b) THE ADMINISTRATOR SHALL DEVELOP STANDARDS TO:

8 (I) MAKE THE DETERMINATION OF WHETHER A LOAN IS AN  
9 ELIGIBLE LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION;

10 (II) DETERMINE WHETHER AN ELIGIBLE LOAN MAY BE REGISTERED  
11 WITH THE ADMINISTRATOR AND WHETHER THE ADMINISTRATOR MAY ISSUE  
12 A TAX CREDIT CERTIFICATE PURSUANT TO SUBSECTION (7) OF THIS  
13 SECTION; AND

14 (III) DETERMINE THE AMOUNT OF A CERTIFIED LOAN LOSS  
15 PURSUANT TO SUBSECTION (8)(c)(II) OF THIS SECTION.

16 (c) THE ADMINISTRATOR MAY CLARIFY THE DEFINITION OF  
17 QUANTUM COMPANY WHEN NEEDED BASED ON INPUT FROM QUANTUM  
18 INDUSTRY COMPANIES, RESEARCHERS, TRADE ASSOCIATIONS, AND OTHER  
19 SECTOR PARTICIPANTS. IN ADDITION, THE ADMINISTRATOR MAY WAIVE  
20 THE ANNUAL INCOME REQUIREMENT FOR A QUANTUM COMPANY TO BE A  
21 BORROWER IF THE ADMINISTRATOR DETERMINES THAT WAIVING THAT  
22 REQUIREMENT IS IN THE BEST INTEREST OF THIS STATE.

23 **(13) Quantum business loan loss reserve cash fund - creation.**

24 (a) THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND IS CREATED  
25 IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE  
26 FUND PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION AND ANY OTHER  
27 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER

1 TO THE FUND.

2 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
3 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
4 QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND TO THE FUND.

5 (c) MONEY IN THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH  
6 FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE  
7 ADMINISTRATION OF THE QUANTUM BUSINESS LOAN LOSS RESERVE TAX  
8 CREDIT CREATED IN THIS SECTION.

9 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED  
10 AND UNENCUMBERED MONEY IN THE FUND ON JANUARY 1, 2051, TO THE  
11 GENERAL FUND.

12 (14) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER  
13 31, 2050.

14 **SECTION 3.** In Colorado Revised Statutes, 24-75-402, **amend**  
15 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

16 **24-75-402. Cash funds - limit on uncommitted reserves -**  
17 **reduction in the amount of fees - exclusions - definitions.**

18 (5) Notwithstanding any provision of this section to the contrary, the  
19 following cash funds are excluded from the limitations specified in this  
20 section:

21 (ccc) The wildfire resiliency code board cash fund created in  
22 section 24-33.5-1236 (8); ~~and~~

23 (ddd) The closed landfill remediation grant program fund created  
24 in section 30-20-124 (8); AND

25 (eee) THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND  
26 CREATED IN SECTION 39-22-561 (13).

27 **SECTION 4. Appropriation.** For the 2024-25 state fiscal year,

1 \$90,255 is appropriated to the office of the governor for use by economic  
2 development programs. This appropriation is from the general fund and  
3 is based on an assumption that the office will require an additional 0.6  
4 FTE. To implement this act, the office may use this appropriation for  
5 economic development commission - general economic incentives and  
6 marketing.

7           **SECTION 5. Safety clause.** The general assembly finds,  
8 determines, and declares that this act is necessary for the immediate  
9 preservation of the public peace, health, or safety or for appropriations for  
10 the support and maintenance of the departments of the state and state  
11 institutions.