

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

PREAMENDED

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

LLS NO. 24-1128.01 Caroline Martin x5902

HOUSE BILL 24-1434

HOUSE SPONSORSHIP

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House Committees

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A BILL FOR AN ACT

101 **CONCERNING AN EXPANSION TO THE AFFORDABLE HOUSING TAX**
102 **CREDIT.**

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 expands the affordable housing tax credit by increasing the credit amounts that the Colorado housing and finance authority (authority) may allocate to qualified taxpayers by the following amounts:

- \$20,000,000 for credits allocated in 2024;
- \$20,000,000 for credits allocated in 2025;
- \$20,000,000 for credits allocated in 2026;

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 3rd Reading
May 1, 2024

HOUSE
Amended 2nd Reading
April 30, 2024

- \$16,000,000 for credits allocated in 2027;
- \$16,000,000 for credits allocated in 2028;
- \$16,000,000 for credits allocated in 2029;
- \$10,000,000 for credits allocated in 2030; and
- \$10,000,000 for credits allocated in 2031.

The bill also accelerates the credit by requiring that a qualified taxpayer claim 70% of the total amount of the credit awarded by the authority in the first year of the credit period and claim 6% of the total amount of the credit awarded by the authority in each of the second through sixth years of the credit period.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-2102, **repeal**
 3 **(2)(b); and add (7)(a.7) and (7.5) as follows:**

4 **39-22-2102. Credit against tax - affordable housing**
 5 **developments - legislative declaration.** (2) The authority may allocate
 6 a credit to an owner of a qualified development by issuing to the owner
 7 an allocation certificate. The authority may determine the time at which
 8 such allocation certificate is issued. The credit shall be in an amount
 9 determined by the authority, subject to the following guidelines:

10 (b) ~~In no event shall a credit exceed thirty percent of the qualified~~
 11 ~~basis of the qualified development;~~

12 (7) During each calendar year of the period beginning January 1,
 13 2015, and ending December 31, 2031, the authority may allocate a credit,
 14 the full amount of which may be claimed against the taxes imposed by
 15 this article 22 for each taxable year of the six-year credit period. The
 16 aggregate amount of all credits allocated by the authority in each calendar
 17 year of the period beginning January 1, 2015, and ending December 31,
 18 2031, shall not exceed the amount of:

19 (a.7) IN ADDITION TO THE AMOUNTS DESCRIBED IN SUBSECTION
 20 (7)(a.5) OF THIS SECTION:

1 (I) TWENTY MILLION DOLLARS FOR CREDITS ALLOCATED IN
2 CALENDAR YEAR 2024, PURSUANT TO SUBSECTION (1) OF THIS SECTION
3 AND SECTION 39-22-2105 COMBINED;

4 (II) SIXTEEN MILLION DOLLARS FOR CREDITS ALLOCATED IN
5 CALENDAR YEAR 2025, PURSUANT TO SUBSECTION (1) OF THIS SECTION
6 AND SECTION 39-22-2105 COMBINED;

7 (III) TWELVE MILLION DOLLARS FOR CREDITS ALLOCATED IN
8 CALENDAR YEAR 2026, PURSUANT TO SUBSECTION (1) OF THIS SECTION
9 AND SECTION 39-22-2105 COMBINED;

10 (IV) TWELVE MILLION DOLLARS FOR CREDITS ALLOCATED IN
11 CALENDAR YEAR 2027, PURSUANT TO SUBSECTION (1) OF THIS SECTION
12 AND SECTION 39-22-2105 COMBINED;

13 (V) SIXTEEN MILLION DOLLARS FOR CREDITS ALLOCATED IN
14 CALENDAR YEAR 2028, PURSUANT TO SUBSECTION (1) OF THIS SECTION
15 AND SECTION 39-22-2105 COMBINED;

16 (VI) TWENTY MILLION DOLLARS FOR CREDITS ALLOCATED IN
17 CALENDAR YEAR 2029, PURSUANT TO SUBSECTION (1) OF THIS SECTION
18 AND SECTION 39-22-2105 COMBINED;

19 (VII) TWENTY MILLION DOLLARS FOR CREDITS ALLOCATED IN
20 CALENDAR YEAR 2030, PURSUANT TO SUBSECTION (1) OF THIS SECTION
21 AND SECTION 39-22-2105 COMBINED; AND

22 (VIII) TWENTY MILLION DOLLARS FOR CREDITS ALLOCATED IN
23 CALENDAR YEAR 2031, PURSUANT TO SUBSECTION (1) OF THIS SECTION
24 AND SECTION 39-22-2105 COMBINED;

25 (7.5) A QUALIFIED TAXPAYER SHALL NOT CLAIM A CREDIT
26 ALLOCATED AS PART OF THE CREDITS AVAILABLE PURSUANT TO
27 SUBSECTION (7)(a.7) OF THIS SECTION RATABLY OVER THE CREDIT PERIOD.

1 INSTEAD, SUCH A CREDIT MUST BE ACCELERATED AND THE FULL AMOUNT
2 MUST BE CLAIMED AGAINST THE TAXES IMPOSED BY THIS ARTICLE 22 OVER
3 THE CREDIT PERIOD ACCORDING TO THE FOLLOWING SCHEDULE:

4 (a) THE AMOUNT OF THE CREDIT ALLOCATED AS PART OF THE
5 CREDITS AVAILABLE PURSUANT TO SUBSECTION (7)(a.7) OF THIS SECTION
6 THAT A QUALIFIED TAXPAYER CLAIMS IN THE FIRST YEAR OF THE CREDIT
7 PERIOD MUST EQUAL SEVENTY PERCENT OF THE TOTAL AMOUNT OF THAT
8 CREDIT THAT THE AUTHORITY ALLOCATES TO THE QUALIFIED TAXPAYER;
9 AND

10 (b) THE AMOUNT OF THE CREDIT ALLOCATED AS PART OF THE
11 CREDITS AVAILABLE PURSUANT TO SUBSECTION (7)(a.7) OF THIS SECTION
12 THAT A QUALIFIED TAXPAYER CLAIMS IN THE SECOND YEAR THROUGH
13 SIXTH YEAR OF THE CREDIT PERIOD MUST EACH YEAR EQUAL SIX PERCENT
14 OF THE TOTAL AMOUNT OF THAT CREDIT THAT THE AUTHORITY ALLOCATES
15 TO THE QUALIFIED TAXPAYER.

16 **SECTION 2.** In Colorado Revised Statutes, **add** part 54 to article
17 22 of title 39 as follows:

18 **PART 54**

19 **COLORADO AFFORDABLE HOUSING IN**

20 **TRANSIT-ORIENTED COMMUNITIES INCOME TAX CREDIT**

21 **39-22-5401. Tax preference performance statement.** (1) IN
22 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
23 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
24 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
25 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
26 PURPOSE OF THE TAX CREDIT PROVIDED IN THIS SECTION IS TO INDUCE
27 CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS BY SUPPORTING THE

1 DEVELOPMENT OF AFFORDABLE HOUSING WITHIN TRANSIT-ORIENTED
2 COMMUNITIES.

3 (2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
4 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
5 SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE NUMBER AND
6 VALUE OF CREDITS ISSUED AND HOUSING UNITS BUILT.

7 **39-22-5402. Definitions.** AS USED IN THIS PART 54, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "ALLOCATION CERTIFICATE" MEANS A STATEMENT ISSUED BY
10 THE AUTHORITY CERTIFYING THAT A GIVEN DEVELOPMENT QUALIFIES FOR
11 THE CREDIT AND SPECIFYING THE AMOUNT OF THE CREDIT ALLOWED.

12 (2) "ALLOCATION PLAN" MEANS AN ALLOCATION PLAN ADOPTED
13 BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND
14 PREFERENCES FOR ALLOCATING THE TAX CREDIT ALLOWED PURSUANT TO
15 THIS PART 54.

16 (3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE
17 AUTHORITY CREATED PURSUANT TO SECTION 29-4-704.

18 (4) "CERTIFIED TRANSIT-ORIENTED COMMUNITY" MEANS:

19 (a) IN CALENDAR YEARS 2025, 2026, AND 2027, A
20 TRANSIT-ORIENTED COMMUNITY AS DEFINED IN SECTION 29-35-202 (13);
21 AND

22 (b) IN CALENDAR YEAR 2028 AND EACH SUBSEQUENT CALENDAR
23 YEAR, A TRANSIT-ORIENTED COMMUNITY, AS DEFINED IN SECTION
24 29-35-202 (13), THAT HAS BOTH SUBMITTED THE HOUSING OPPORTUNITY
25 GOAL REPORT DESCRIBED IN SECTION 29-35-204 (10) TO THE DIVISION AND
26 HAD THE DIVISION CONFIRM THAT THE TRANSIT-ORIENTED COMMUNITY
27 HAS MET ITS HOUSING OPPORTUNITY GOAL.

1 (5) "COMPLIANCE PERIOD" MEANS THE PERIOD OF FIFTEEN YEARS
2 BEGINNING WITH THE FIRST TAXABLE YEAR OF A CREDIT PERIOD.

3 (6) "CREDIT" MEANS THE COLORADO TRANSIT-ORIENTED
4 COMMUNITY HOUSING INCOME TAX CREDIT ALLOWED PURSUANT TO THIS
5 PART 54.

6 (7) "CREDIT PERIOD" MEANS THE PERIOD OF FIVE INCOME TAX
7 YEARS BEGINNING WITH THE INCOME TAX YEAR IN WHICH A QUALIFIED
8 DEVELOPMENT IS PLACED IN SERVICE. IF A QUALIFIED DEVELOPMENT IS
9 COMPRISED OF MORE THAN ONE BUILDING, THE DEVELOPMENT IS DEEMED
10 TO BE PLACED IN SERVICE IN THE INCOME TAX YEAR DURING WHICH THE
11 LAST BUILDING OF THE QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

12 (8) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

13 (9) "DIVISION" MEANS THE DIVISION OF LOCAL GOVERNMENT OF
14 THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-103.

15 (10) "FEDERAL TAX CREDIT" MEANS THE FEDERAL LOW-INCOME
16 HOUSING TAX CREDIT PROVIDED BY SECTION 42 OF THE INTERNAL
17 REVENUE CODE.

18 (11) "METROPOLITAN PLANNING ORGANIZATION" HAS THE SAME
19 MEANING AS SET FORTH IN SECTION 29-35-103 (12).

20 (12) "NEIGHBORHOOD CENTER" HAS THE SAME MEANING AS SET
21 FORTH IN SECTION 29-35-202 (5).

22 (13) "QUALIFIED BASIS" MEANS THE QUALIFIED BASIS OF THE
23 DEVELOPMENT AS DETERMINED PURSUANT TO SECTION 42 OF THE
24 INTERNAL REVENUE CODE.

25 (14) "QUALIFIED DEVELOPMENT" MEANS A "QUALIFIED
26 LOW-INCOME HOUSING PROJECT", AS THAT TERM IS DEFINED IN SECTION 42
27 OF THE INTERNAL REVENUE CODE, THAT IS:

1 (a) LOCATED IN COLORADO;

2 (b) DETERMINED BY THE AUTHORITY TO BE ELIGIBLE FOR A
3 FEDERAL TAX CREDIT WHETHER OR NOT A FEDERAL TAX CREDIT IS
4 ALLOCATED WITH RESPECT TO SAID DEVELOPMENT; AND

5 (c) LOCATED IN A TRANSIT-ORIENTED CENTER WITHIN A CERTIFIED
6 TRANSIT-ORIENTED COMMUNITY OR IN A NEIGHBORHOOD CENTER WITHIN
7 A METROPOLITAN PLANNING ORGANIZATION.

8 (15) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, A PERSON,
9 FIRM, CORPORATION, OR OTHER ENTITY THAT OWNS AN INTEREST, DIRECT
10 OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND IS SUBJECT TO THE
11 TAXES IMPOSED BY THIS ARTICLE 22.

12 (16) "TRANSIT CENTER" HAS THE SAME MEANING AS SET FORTH IN
13 SECTION 29-35-202 (11).

14 **39-22-5403. Credit against tax - affordable housing located in**
15 **a transit-oriented community.** (1) FOR INCOME TAX YEARS DURING THE
16 CREDIT PERIOD, THERE IS ALLOWED TO ANY QUALIFIED TAXPAYER A
17 CREDIT WITH RESPECT TO THE INCOME TAXES IMPOSED BY THIS ARTICLE
18 22 IN THE AMOUNT DETERMINED BY THE AUTHORITY PURSUANT TO THIS
19 PART 54.

20 (2) THE AGGREGATE AMOUNT OF CREDITS ALLOCATED BY THE
21 AUTHORITY IN EACH OF THE 2025 THROUGH 2029 CALENDAR YEARS, MUST
22 NOT EXCEED THE AGGREGATE AMOUNT OF:

23 (a) CREDITS AUTHORIZED AS FOLLOWS:

24 (I) FOR THE 2025 CALENDAR YEAR, TWO MILLION DOLLARS;

25 (II) FOR THE 2026 CALENDAR YEAR, TWO MILLION DOLLARS;

26 (III) FOR THE 2027 CALENDAR YEAR, TWO MILLION DOLLARS;

27 (IV) FOR THE 2028 CALENDAR YEAR, ELEVEN MILLION DOLLARS;

1 AND
2 (V) FOR THE 2029 CALENDAR YEAR, THIRTEEN MILLION DOLLARS;
3 PLUS
4 (b) UNALLOCATED CREDITS, IF ANY, FOR THE IMMEDIATELY
5 PRECEDING CALENDAR YEAR; AND
6 (c) ANY CREDIT RECAPTURED OR OTHERWISE RETURNED TO THE
7 AUTHORITY IN THE CALENDAR YEAR.
8 (3) THE AUTHORITY MAY ALLOCATE A CREDIT TO AN OWNER OF A
9 QUALIFIED DEVELOPMENT BY ISSUING TO THE OWNER AN ALLOCATION
10 CERTIFICATE. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH SUCH
11 ALLOCATION CERTIFICATE IS ISSUED. THE CREDIT MUST BE IN AN AMOUNT
12 DETERMINED BY THE AUTHORITY, SUBJECT TO THE FOLLOWING
13 GUIDELINES:
14 (a) THE CREDIT MUST BE NECESSARY FOR THE FINANCIAL
15 FEASIBILITY OF SUCH DEVELOPMENT;
16 (b) ALL ALLOCATIONS MUST BE MADE PURSUANT TO THE
17 ALLOCATION PLAN; AND
18 (c) THE AGGREGATE SUM OF CREDITS ALLOCATED ANNUALLY
19 MUST NOT EXCEED THE LIMITS SET FORTH IN SUBSECTION (2) OF THIS
20 SECTION.
21 (4) (a) ON OR AFTER JANUARY 1, 2025, BUT PRIOR TO DECEMBER
22 31, 2029, THE AUTHORITY MAY ALLOCATE A TOTAL AMOUNT OF THIRTY
23 MILLION DOLLARS IN CREDITS.
24 (b) THE TAXPAYER SHALL NOT CLAIM THE CREDIT RATABLY OVER
25 THE CREDIT PERIOD. INSTEAD, THE CREDIT MUST BE ACCELERATED AND
26 THE FULL AMOUNT MUST BE CLAIMED AGAINST THE TAXES IMPOSED BY
27 THIS ARTICLE 22 OVER THE CREDIT PERIOD ACCORDING TO THE FOLLOWING

1 SCHEDULE:

2 (I) THE AMOUNT OF THE CREDIT THAT A TAXPAYER CLAIMS IN THE
3 FIRST YEAR OF THE CREDIT PERIOD MUST EQUAL SEVENTY PERCENT OF THE
4 TOTAL AMOUNT OF THE CREDIT THE AUTHORITY ALLOCATES TO THE
5 TAXPAYER;

6 (II) THE AMOUNT OF THE CREDIT THAT A TAXPAYER CLAIMS IN THE
7 SECOND YEAR OF THE CREDIT PERIOD MUST EQUAL EIGHT PERCENT OF THE
8 TOTAL AMOUNT OF THE CREDIT THE AUTHORITY ALLOCATES TO THE
9 TAXPAYER;

10 (III) THE AMOUNT OF THE CREDIT THAT A TAXPAYER CLAIMS IN
11 THE THIRD YEAR OF THE CREDIT PERIOD MUST EQUAL EIGHT PERCENT OF
12 THE TOTAL AMOUNT OF THE CREDIT THE AUTHORITY ALLOCATES TO THE
13 TAXPAYER;

14 (IV) THE AMOUNT OF THE CREDIT THAT A TAXPAYER CLAIMS IN
15 THE FOURTH YEAR OF THE CREDIT PERIOD MUST EQUAL SEVEN PERCENT OF
16 THE TOTAL AMOUNT OF THE CREDIT THE AUTHORITY ALLOCATES TO THE
17 TAXPAYER; AND

18 (V) THE AMOUNT OF THE CREDIT THAT A TAXPAYER CLAIMS IN THE
19 FIFTH YEAR OF THE CREDIT PERIOD MUST EQUAL SEVEN PERCENT OF THE
20 TOTAL AMOUNT OF THE CREDIT THE AUTHORITY ALLOCATES TO THE
21 TAXPAYER.

22 (5) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN
23 ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,
24 S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY
25 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,
26 OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH
27 PERSONS REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A

1 PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL
2 CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO
3 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER.
4 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER
5 ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED
6 TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX RETURN
7 CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO
8 ANY RESTRICTIONS SET FORTH IN THIS PART 54.

9 (6) NO CREDIT SHALL BE ALLOCATED PURSUANT TO THIS PART 54
10 UNLESS THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED
11 RESTRICTIVE COVENANT REQUIRING THE DEVELOPMENT TO BE
12 MAINTAINED AND OPERATED AS A QUALIFIED DEVELOPMENT, AND IS IN
13 ACCORDANCE WITH THE ACCESSIBILITY AND ADAPTABILITY
14 REQUIREMENTS OF THE FEDERAL TAX CREDITS AND TITLE VIII OF THE
15 "CIVIL RIGHTS ACT OF 1968", AS AMENDED BY THE "FAIR HOUSING
16 AMENDMENTS ACT OF 1988", FOR A PERIOD OF FIFTEEN INCOME TAX
17 YEARS, OR SUCH LONGER PERIOD AS MAY BE AGREED TO BETWEEN THE
18 AUTHORITY AND THE OWNER, BEGINNING WITH THE FIRST TAXABLE YEAR
19 OF THE CREDIT PERIOD UNLESS CORRECTED WITHIN THE TIME THAT IS
20 APPLICABLE TO DEVELOPMENTS RECEIVING FEDERAL TAX CREDITS
21 PURSUANT TO SECTION 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS
22 APPLICABLE TO THE COVENANT DESCRIBED IN THIS SUBSECTION (6).

23 (7) THE ALLOCATED CREDIT AMOUNT MAY BE TAKEN AGAINST THE
24 TAXES IMPOSED BY THIS ARTICLE 22 FOR EACH INCOME TAX YEAR OF THE
25 CREDIT PERIOD AS SET FORTH IN SUBSECTION (4) OF THIS SECTION. ANY
26 AMOUNT OF CREDIT THAT EXCEEDS THE TAX DUE FOR AN INCOME TAX
27 YEAR MAY BE CARRIED FORWARD AS A TAX CREDIT AGAINST THE INCOME

1 TAX LIABILITY FOR THE THREE SUBSEQUENT TAX YEARS AND MUST BE
2 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY AMOUNT OF THE
3 CREDIT THAT IS NOT USED MUST NOT BE REFUNDED TO THE TAXPAYER.

4 (8) UNLESS OTHERWISE PROVIDED IN THIS PART 54 OR THE
5 CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL
6 DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN
7 ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN
8 THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER
9 THE CREDIT ALLOWED PURSUANT TO THIS PART 54 CONSISTENTLY WITH
10 THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE
11 EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS
12 ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS.
13 NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND
14 STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED
15 MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL
16 FEASIBILITY OF A QUALIFIED DEVELOPMENT.

17 **39-22-5404. Recapture.** (1) AS OF THE LAST DAY OF ANY
18 TAXABLE YEAR DURING THE COMPLIANCE PERIOD, IF THE AMOUNT OF THE
19 QUALIFIED BASIS OF A QUALIFIED DEVELOPMENT WITH RESPECT TO A
20 TAXPAYER IS LESS THAN THE AMOUNT OF THE QUALIFIED BASIS AS OF THE
21 LAST DAY OF THE PRIOR TAXABLE YEAR, THEN THE AMOUNT OF THE
22 TAXPAYER'S STATE INCOME TAX LIABILITY FOR THAT TAXABLE YEAR MUST
23 BE INCREASED BY THE CREDIT RECAPTURE AMOUNT.

24 (2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE
25 CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE
26 DECREASE IN THE CREDIT ALLOWED TO THE TAXPAYER PURSUANT TO THIS
27 PART 54 FOR ALL PRIOR TAXABLE YEARS THAT WOULD HAVE RESULTED IF

1 THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF
2 THIS PART 54 WERE NOT ALLOWED FOR ALL PRIOR TAXABLE YEARS WITH
3 RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN
4 SUBSECTION (1) OF THIS SECTION.

5 (3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE
6 ACCELERATED PORTION OF THE CREDIT FOR THE PRIOR TAXABLE YEARS
7 WITH RESPECT TO ANY AMOUNT OF QUALIFIED BASIS IS THE DIFFERENCE
8 BETWEEN:

9 (a) THE AGGREGATE AMOUNT OF THE CREDIT ALLOWED PURSUANT
10 TO THIS PART 54, NOTWITHSTANDING THIS SUBSECTION (3), FOR THE YEARS
11 WITH RESPECT TO SUCH QUALIFIED BASIS; AND

12 (b) THE AGGREGATE AMOUNT OF THE CREDIT THAT WOULD BE
13 ALLOWED PURSUANT TO THIS PART 54 FOR SUCH YEARS WITH RESPECT TO
14 THE QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN
15 ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE
16 PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

17 (4) IN THE EVENT THAT RECAPTURE OF ANY CREDIT IS REQUIRED
18 IN ANY TAX YEAR, THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE
19 DEPARTMENT SHALL INCLUDE THE PROPORTION OF CREDIT REQUIRED TO
20 BE RECAPTURED, THE IDENTITY OF EACH TAXPAYER SUBJECT TO THE
21 RECAPTURE, AND THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED TO
22 SUCH TAXPAYER.

23 (5) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, CREDITS
24 ISSUED PURSUANT TO THIS PART 54 MUST NOT BE RECAPTURED IF A
25 QUALIFIED DEVELOPMENT, AFTER THE INITIAL AWARD OF CREDITS, CEASES
26 BEING LOCATED IN A TRANSIT-ORIENTED CENTER WITHIN A CERTIFIED
27 TRANSIT-ORIENTED COMMUNITY OR IN A NEIGHBORHOOD CENTER WITHIN

1 A METROPOLITAN PLANNING ORGANIZATION.

2 **39-22-5405. Filing requirements.** AN OWNER OF A QUALIFIED
3 DEVELOPMENT TO WHICH A CREDIT HAS BEEN ALLOCATED AND EACH
4 QUALIFIED TAXPAYER TO WHICH SUCH OWNER HAS ALLOCATED A PORTION
5 OF SAID CREDIT, IF ANY, SHALL FILE WITH THEIR STATE INCOME TAX
6 RETURN A COPY OF THE ALLOCATION CERTIFICATE ISSUED BY THE
7 AUTHORITY WITH RESPECT TO SUCH DEVELOPMENT AND A COPY OF THE
8 OWNER'S CERTIFICATION TO THE DEPARTMENT AS TO THE ALLOCATION OF
9 THE CREDIT AMONG THE QUALIFIED TAXPAYERS HAVING OWNERSHIP
10 INTERESTS IN THE DEVELOPMENT.

11 **39-22-5406. Parallel credits - insurance premium taxes.**

12 (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE
13 PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128
14 AND THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND WHO
15 IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART 54
16 MAY CLAIM SUCH CREDIT AND CARRY SUCH CREDIT FORWARD AGAINST
17 SUCH INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED
18 TAX PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE
19 SAME EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR
20 CARRY FORWARD SUCH CREDIT OR REFUND AGAINST INCOME TAX. ALL
21 OTHER PROVISIONS OF THIS PART 54 WITH RESPECT TO THE CREDIT,
22 INCLUDING THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT
23 AND THE YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A
24 CREDIT CLAIMED PURSUANT TO THIS SECTION.

25 (2) FOR PURPOSES OF ADMINISTERING THIS SECTION, ANY
26 REFERENCE IN THIS ARTICLE 22 TO "INCOME TAX YEAR" MEANS CALENDAR
27 YEAR.

1 **39-22-5407. Compliance monitoring.** THE AUTHORITY, IN
2 CONSULTATION WITH THE DEPARTMENT, SHALL MONITOR AND OVERSEE
3 COMPLIANCE WITH THIS PART 54 AND SHALL REPORT SPECIFIC
4 OCCURRENCES OF NONCOMPLIANCE TO THE DEPARTMENT.

5 **39-22-5408. Repeal.** THIS PART 54 IS REPEALED, EFFECTIVE
6 DECEMBER 31, 2049.

7 **SECTION 3.** In Colorado Revised Statutes, 39-26-123, **amend**
8 (3)(b)(II)(B) and (3)(b)(II)(C); and **add** (3)(b)(II)(D) and (3)(b)(II)(E) as
9 follows:

10 **39-26-123. Receipts - disposition - transfers of general fund**
11 **surplus - sales tax holding fund - creation - definitions.** (3) For any
12 state fiscal year commencing on or after July 1, 2013, the state treasurer
13 shall credit eighty-five percent of all net revenue collected under this
14 article 26 to the old age pension fund created in section 1 of article XXIV
15 of the state constitution. The state treasurer shall credit to the general fund
16 the remaining fifteen percent of the net revenue, less:

17 (b) (II) The amount credited to the housing development grant
18 fund created in section 24-32-721 (1) under subsection (3)(b)(I) of this
19 section is reduced by the following amounts:

20 (B) Forty million three hundred twenty-three thousand one
21 hundred fifty-eight dollars for the state fiscal year 2020-21; and

22 (C) Nine hundred eighty-five thousand three hundred thirty-five
23 dollars for the state fiscal year YEARS 2021-22, and each state fiscal year
24 thereafter 2022-23, AND 2023-24;

25 (D) THIRTY-FIVE MILLION NINE HUNDRE EIGHTY-FIVE THOUSAND
26 THREE HUNDRED THIRTY-FIVE DOLLARS FOR THE STATE FISCAL YEAR
27 2024-25 THROUGH STATE FISCAL YEAR 2031-32; AND

1 (E) NINE HUNDRED EIGHTY-FIVE THOUSAND THREE HUNDRED
2 THIRTY-FIVE DOLLARS FOR THE STATE FISCAL YEAR 2032-33 AND EACH
3 STATE FISCAL YEAR THEREAFTER.

4 **SECTION 4. Safety clause.** The general assembly finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety or for appropriations for
7 the support and maintenance of the departments of the state and state
8 institutions.