

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
9/10/24

**BILL 10**

LLS NO. 25-0224.01 Alison Killen x4350

**INTERIM COMMITTEE BILL**

---

**Legislative Oversight Committee Concerning Tax Policy**

---

**BILL TOPIC:** Bus Personal Prop Tax Exemption Income Tax Credit

---

**A BILL FOR AN ACT**

101      **CONCERNING THE MODIFICATION OF TAX RELIEF FOR BUSINESS**  
102           **PERSONAL PROPERTY, AND, IN CONNECTION THEREWITH,**  
103           **INCREASING THE AMOUNT OF THE EXEMPTION FOR PERSONAL**  
104           **PROPERTY NOT OTHERWISE EXEMPT FROM PROPERTY TAXATION**  
105           **AND LIMITING THE AVAILABILITY OF THE INCOME TAX CREDIT**  
106           **FOR PERSONAL PROPERTY TAXES PAID TO INCOME TAX YEARS**  
107           **COMMENCING ON OR BEFORE JANUARY 1, 2025.**

---

**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/>.)*

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

**Legislative Oversight Committee Concerning Tax Policy.** The Colorado constitution imposes a property tax on personal property (business personal property tax). If a taxpayer has personal property with an actual value that is no more than an amount established in statute, that personal property is exempt from the business personal property tax pursuant to the business personal property tax exemption. **Section 1** of the bill increases this statutory amount, for property tax years commencing on or after January 1, 2026, from \$50,000, adjusted biannually for inflation, to \$75,000, adjusted biannually for inflation.

If a taxpayer has personal property with an actual value that is great enough that the taxpayer does not qualify for the business personal property tax exemption, the taxpayer qualifies for an income tax credit (business personal property tax credit). The business personal property tax credit is an income tax credit equal to the amount of property tax on personal property paid by the taxpayer on up to \$18,000 of the total actual value of the taxpayer's personal property. **Section 2** limits the business personal property tax credit to income tax years commencing before January 1, 2026.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-119.5, **amend**  
3 (2)(a)(VII), (2)(b)(I)(B), and (2)(b)(II); and **add** (2)(a)(IX) and (2)(a)(X)  
4 as follows:

5 **39-3-119.5. Personal property - exemption - reimbursement to**  
6 **local governments - legislative declaration - definitions.** (2) (a) The  
7 exemption created in subsection (1) of this section shall be up to and  
8 including the following amounts:

9 (VII) Seven thousand seven hundred dollars for property tax years  
10 commencing on January 1, 2019, and January 1, 2020; ~~and~~

11 (IX) THE AMOUNT CALCULATED PURSUANT TO SUBSECTION (2)(b)  
12 OF THIS SECTION FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
13 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2026, AND ON AND AFTER  
14 JANUARY 1, 2027; AND

1           (X) SEVENTY-FIVE THOUSAND DOLLARS FOR THE PROPERTY TAX  
2 YEAR COMMENCING ON JANUARY 1, 2026.

3           (b) (I) (B) When calculating the exemption amount under  
4 subsection (2)(b)(I)(A) of this section, the administrator shall do another  
5 calculation in the same manner but starting from seven thousand nine  
6 hundred dollars instead of ~~fifty thousand dollars~~ THE CURRENT  
7 EXEMPTION AMOUNT CALCULATED PURSUANT TO SUBSECTION (2)(b)(I)(A)  
8 OF THIS SECTION. This amount is the alternative exemption amount.

9           (II) As used in subsection (2)(b)(I) of this section, "inflation"  
10 means the annual percentage change in the United States department of  
11 ~~labor~~, LABOR'S bureau of labor statistics consumer price index, OR A  
12 SUCCESSOR INDEX, for Denver-Aurora-Lakewood for all items ~~and all~~  
13 PAID BY urban consumers. ~~or its applicable predecessor or successor~~  
14 ~~index.~~

15           **SECTION 2.** In Colorado Revised Statutes, 39-22-537.5, **amend**  
16 (3)(a); and **add** (5) as follows:

17           **39-22-537.5. Credit for personal property taxes paid -**  
18 **legislative declaration - definitions - repeal.** (3) (a) For income tax  
19 years commencing on or after January 1, 2019, BUT BEFORE JANUARY 1,  
20 2026, a taxpayer is allowed a credit against the tax imposed by this article  
21 22 equal to the property tax paid in Colorado during the income tax year  
22 on up to eighteen thousand dollars of the total actual value of the  
23 taxpayer's personal property.

24           (5) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

25           **SECTION 3. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
2 of the state constitution against this act or an item, section, or part of this  
3 act within such period, then the act, item, section, or part will not take  
4 effect unless approved by the people at the general election to be held in  
5 November 2026 and, in such case, will take effect on the date of the  
6 official declaration of the vote thereon by the governor.