

CHAPTER 247

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**TAXATION**

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**HOUSE BILL 97-1152**

BY REPRESENTATIVES Tucker, Agler, Allen, Grampsas, Schauer, T. Williams, Chavez, Clarke, Dyer, Hagedorn, Mace, Schwarz, and S. Williams;  
also SENATORS Norton, Dennis, Bishop, Linkhart, Martinez, Matsunaka, Pascoe, Phillips, Rizzuto, Rupert, and Wattenberg.

**AN ACT**

CONCERNING A STATE INCOME TAX CREDIT AS AN INCENTIVE FOR INVESTMENT IN QUALIFIED SCHOOL-TO-CAREER PROGRAMS.

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

**SECTION 1.** Part 5 of article 22 of title 39, Colorado Revised Statutes, 1994 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**39-22-520. Credit against tax - investment in school-to-career program.**

(1) THE GENERAL ASSEMBLY HEREBY RECOGNIZES THAT BUSINESSES AND OTHER ASPECTS OF THE ECONOMY NEED TRAINED, EDUCATED, AND MOTIVATED WORKERS. IT IS THEREFORE THE INTENT OF THE GENERAL ASSEMBLY TO ENCOURAGE PRIVATE INVESTMENT IN PROGRAMS THAT INTEGRATE TRADITIONAL EDUCATION WITH ON-THE-JOB TRAINING. IT IS FURTHER THE INTENT OF THE GENERAL ASSEMBLY TO FOSTER AND ENCOURAGE COOPERATION AMONG THE PRIVATE SECTOR AND THE EDUCATIONAL COMMUNITY IN CREATING PROGRAMS THAT WILL OPEN DOORS OF OPPORTUNITY FOR STUDENTS AND ENABLE THEM TO DEVELOP THE KNOWLEDGE AND SKILLS THAT WILL EMPOWER THEM TO BECOME PRODUCTIVE MEMBERS OF SOCIETY.

(2) (a) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 1997, THERE SHALL BE ALLOWED TO ANY PERSON AS A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AN AMOUNT EQUAL TO TEN PERCENT OF THE TOTAL QUALIFIED INVESTMENT MADE IN A QUALIFIED SCHOOL-TO-CAREER PROGRAM.

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(b) FOR PURPOSES OF THIS SUBSECTION (2):

(I) "QUALIFIED INVESTMENT" MEANS MONEYS DIRECTLY EXPENDED FOR WAGES, WORKERS' COMPENSATION INSURANCE, UNEMPLOYMENT INSURANCE, AND TRAINING EXPENSES TO EMPLOY A STUDENT TO WORK OR TO ALLOW A STUDENT TO PARTICIPATE IN AN INTERNSHIP THROUGH A QUALIFIED SCHOOL-TO-CAREER PROGRAM.

(II) "QUALIFIED SCHOOL-TO-CAREER PROGRAM" MEANS A PROGRAM THAT INTEGRATES SCHOOL CURRICULUM WITH JOB TRAINING, THAT ENCOURAGES PLACEMENT OF STUDENTS IN JOBS OR INTERNSHIPS THAT WILL TEACH THEM NEW SKILLS AND IMPROVE THEIR SCHOOL PERFORMANCE, AND THAT IS APPROVED BY:

(A) THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT IN WHICH THE PROGRAM IS OPERATING;

(B) THE STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION;

(C) THE DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS CREATED PURSUANT TO SECTION 23-60-703, C.R.S.; OR

(D) THE COLORADO COMMISSION ON HIGHER EDUCATION.

(3) IF THE AMOUNT OF THE CREDIT PROVIDED FOR PURSUANT TO SUBSECTION (2) OF THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES DUE ON THE INCOME OF THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR SHALL NOT BE ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' TAX LIABILITY FOR A PERIOD NOT EXCEEDING FIVE YEARS AND SHALL BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED DURING SAID PERIOD SHALL NOT BE REFUNDABLE TO THE TAXPAYER.

**SECTION 2.** 39-30-104 (5), Colorado Revised Statutes, 1994 Repl. Vol., as amended, is repealed as follows:

**39-30-104. Credit against tax - investment in certain property.** (5) ~~(a) In addition to any other tax credit allowed under this section, for income tax years commencing on or after January 1, 1997, there shall be allowed to any person as a credit against the tax imposed by article 22 of this title an amount equal to ten percent of the total qualified investment made in a qualified school-to-work program.~~

~~(b) For purposes of this subsection (5):~~

~~(I) "Qualified investment" means moneys directly expended for wages, workers' compensation insurance, unemployment insurance, and training expenses to employ a student to work predominantly within an enterprise zone through a qualified school-to-work program.~~

~~(II) "Qualified school-to-work program" means a program that integrates school~~

curriculum with job training, that encourages placement of students in jobs that will teach them new skills and improve their school performance, and that is approved by:

(A) The board of education of the school district in which the program is operating;

(B) The state board for community colleges and occupational education; or

~~(C) The division of private occupational schools created pursuant to section 23-60-701, C.R.S.~~

**SECTION 3.** 39-30-103 (4) (b) (VIII), Colorado Revised Statutes, 1994 Repl. Vol., as amended, is amended to read:

**39-30-103. Zones established - termination.** (4) (b) For any area designated as an enterprise zone or as a portion of an enterprise zone prior to July 1, 1996, the executive director of the department of local affairs shall require local governments that submitted development plans pertaining to areas selected as enterprise zones to develop and submit no later than September 1, 1996, specific business development and job creation objectives to be achieved in the zones or portions thereof. The executive director shall require the local governments that submitted development plans pertaining to areas selected as enterprise zones to continue to submit annual documentation of efforts to improve conditions in those areas and the results of those efforts. In order for the executive director to determine if the enterprise zones or portions thereof are achieving the specific business development and job creation objectives submitted pursuant to this paragraph (b) or to paragraph (d) of subsection (3) of this section, such annual documentations shall include, but need not be limited to, the most recent statistics available for companies claiming enterprise zone tax credits on:

(VIII) The number of employees trained and the amount of investment in job training programs pursuant to section 39-30-104 (4). ~~and the number of individuals hired and the amount of investment in school-to-work programs pursuant to section 39-30-104 (5).~~

**SECTION 4. No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 3, 1997