

## CHAPTER 162

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**TAXATION**

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**HOUSE BILL 02-1098**

BY REPRESENTATIVE(S) Spradley, Bacon, Fairbank, Fritz, Grossman, Hoppe, Jameson, Kester, Plant, Stengel, and Veiga;  
also SENATOR(S) Owen, and Taylor.

**AN ACT**

**CONCERNING A REQUIREMENT THAT ANY DONATION OF A PERPETUAL CONSERVATION EASEMENT FOR WHICH A CREDIT AGAINST STATE INCOME TAX IS CLAIMED BE ELIGIBLE TO QUALIFY AS A QUALIFIED CONSERVATION CONTRIBUTION PURSUANT TO REQUIREMENTS SPECIFIED IN THE FEDERAL INTERNAL REVENUE CODE.**

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

**SECTION 1.** 39-22-522 (2), Colorado Revised Statutes, as it exists until January 1, 2003, is amended, and the said 39-22-522 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**39-22-522. Credit against tax - conservation easements.** (2) For income tax years commencing on or after January 1, 2000, subject to the provisions of subsections (4) and (6) of this section, there shall be allowed a credit with respect to the income taxes imposed by this article to each taxpayer who donates during the taxable year all or part of the value of a perpetual conservation easement in gross created pursuant to article 30.5 of title 38, C.R.S., upon real property the taxpayer owns to a governmental entity or a charitable organization described in section 38-30.5-104 (2), C.R.S. THE CREDIT SHALL ONLY BE ALLOWED FOR A DONATION THAT IS ELIGIBLE TO QUALIFY AS A QUALIFIED CONSERVATION CONTRIBUTION PURSUANT TO SECTION 170 (h) OF THE INTERNAL REVENUE CODE, AS AMENDED, AND ANY FEDERAL REGULATIONS PROMULGATED IN CONNECTION WITH SUCH SECTION. The amount of the credit shall not include the value of any portion of an easement on real property located in another state.

(9) ANY TAXPAYER WHO CLAIMS A CREDIT FOR THE DONATION OF A CONSERVATION EASEMENT CONTRARY TO THE PROVISIONS OF THIS SECTION SHALL BE LIABLE FOR SUCH DEFICIENCIES, INTEREST, AND PENALTIES AS MAY BE SPECIFIED IN THIS ARTICLE OR OTHERWISE PROVIDED BY LAW.

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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.*

**SECTION 2.** 39-22-522 (2), Colorado Revised Statutes, as it will become effective January 1, 2003, is amended, and the said 39-22-522 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**39-22-522. Credit against tax - conservation easements.** (2) For income tax years commencing on or after January 1, 2000, and with regard to any credit over the amount of one hundred thousand dollars, for income tax years commencing on or after January 1, 2003, subject to the provisions of subsections (4) and (6) of this section, there shall be allowed a credit with respect to the income taxes imposed by this article to each taxpayer who donates during the taxable year all or part of the value of a perpetual conservation easement in gross created pursuant to article 30.5 of title 38, C.R.S., upon real property the taxpayer owns to a governmental entity or a charitable organization described in section 38-30.5-104 (2), C.R.S. THE CREDIT SHALL ONLY BE ALLOWED FOR A DONATION THAT IS ELIGIBLE TO QUALIFY AS A QUALIFIED CONSERVATION CONTRIBUTION PURSUANT TO SECTION 170 (h) OF THE INTERNAL REVENUE CODE, AS AMENDED, AND ANY FEDERAL REGULATIONS PROMULGATED IN CONNECTION WITH SUCH SECTION. The amount of the credit shall not include the value of any portion of an easement on real property located in another state.

(9) ANY TAXPAYER WHO CLAIMS A CREDIT FOR THE DONATION OF A CONSERVATION EASEMENT CONTRARY TO THE PROVISIONS OF THIS SECTION SHALL BE LIABLE FOR SUCH DEFICIENCIES, INTEREST, AND PENALTIES AS MAY BE SPECIFIED IN THIS ARTICLE OR OTHERWISE PROVIDED BY LAW.

**SECTION 3. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: May 24, 2002