

## CHAPTER 211

---

**TAXATION**

---

**HOUSE BILL 13-1080**

BY REPRESENTATIVE(S) Holbert and Kraft-Tharp, Priola, Lawrence, McNulty, Murray, Swalm, Fields, Ginal, Kagan, Labuda, Lebsock, Melton, Mitsch Bush, Moreno, Pabon, Pettersen, Rosenthal, Schafer, Singer, Williams;  
also SENATOR(S) Harvey and Jahn, Renfro, Scheffel, Baumgardner, Hodge, King, Lambert, Newell, Todd, Ulibarri.

**AN ACT****CONCERNING MODIFICATIONS TO THE COLORADO AIRCRAFT MANUFACTURER NEW EMPLOYEE INCOME TAX CREDIT.**

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

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds, determines, and declares that:

(a) During the 2005 legislative session, the general assembly enacted the "Aviation Development Zone Act" that makes aircraft manufacturers located in a Colorado aviation development zone eligible for a state income tax credit for each new employee it hires; however, businesses involved in the maintenance and repair, completion, or modification of aircraft are not eligible to claim the credit;

(b) Colorado has few maintenance and repair organizations that perform heavy maintenance and repair on aircraft and as a result, airlines have to fly their planes to other states for maintenance and repair;

(c) Colorado has a pool of well-trained potential employees, including veterans, with the skills and often the security clearance necessary to qualify for the well-paid and desirable positions that aircraft maintenance and repair, completion, and modification businesses need to fill; and

(2) The general assembly further finds and declares that the primary purposes of House Bill 13-1080 are:

(a) To amend the "Aviation Development Zone Act" to include maintenance and repair, completion, and modification of aircraft for income tax years commencing

---

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

on or after January 1, 2013. The expansion of the existing aviation development zone income tax credit will encourage aviation maintenance and repair, completion, and modification businesses to operate in Colorado, create additional job opportunities, expand the aviation sector, and produce new sources of revenue in Colorado.

(b) To extend the number of years for which any aircraft manufacturer may claim the aviation development zone income tax credit so that all aircraft manufacturers, including aviation maintenance and repair, completion, and modification businesses, will have a full opportunity to claim the credit.

**SECTION 2.** In Colorado Revised Statutes, 39-35-102, **amend** (1) as follows:

**39-35-102. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Aircraft manufacturer" means a business involved in the production of aircraft parts specifically used in the manufacture of aircraft or a business involved in the development of a proof of concept or prototype aircraft, a test and evaluation aircraft, a certification aircraft, or a production aircraft. FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1, 2013, "aircraft manufacturer" ~~shall not include~~ EXCLUDES a business or any portion of a business that is involved in the maintenance of aircraft. FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2013, "AIRCRAFT MANUFACTURER" INCLUDES A BUSINESS OR ANY PORTION OF A BUSINESS THAT IS INVOLVED IN THE MAINTENANCE AND REPAIR, COMPLETION, OR MODIFICATION OF AIRCRAFT.

**SECTION 3.** In Colorado Revised Statutes, 39-35-104, **amend** (1) as follows:

**39-35-104. Aircraft manufacturer - credit for new employees.** (1) For any income tax year commencing on or after January 1, 2006, but before ~~January 1, 2017~~ JANUARY 1, 2023, any aircraft manufacturer that is located in an aviation development zone in the state, that employs at least ten full-time employees within the zone, and that hires one or more new employees during the income tax year shall be allowed a credit against the income tax imposed by article 22 of this title in an amount equal to one thousand two hundred dollars for each new employee who is working within the zone, prorated according to the number of months the new employee was employed by the aircraft manufacturer during the income tax year.

**SECTION 4.** In Colorado Revised Statutes, **amend** 39-35-106 as follows:

**39-35-106. Repeal of article.** This article is repealed, effective ~~January 1, 2018~~ JANUARY 1, 2024, unless it is continued or reestablished by the general assembly acting by bill prior to said date.

**SECTION 5. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a referendum petition is filed pursuant to section 1 (3)

of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 13, 2013