

Second Regular Session
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STATE OF COLORADO

DRAFT
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LLS NO. 20-0830.01 Esther van Mourik x4215

COMMITTEE BILL

Statutory Revision Committee

BILL TOPIC: "Enterprise Zone Statute Fixes Of Defects"

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE ENTERPRISE ZONE STATUTES IN**
102 **ORDER TO ADDRESS CERTAIN DEFECTS AND ANACHRONISMS.**

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/>.)

Statutory Revision Committee. Section 1 of the bill repeals obsolete provisions that allow an income tax credit for contributions to enterprise zone administrators to implement economic development plans.

Section 2 moves certain cross references that are incorrectly placed in the section that allows for an investment tax credit in enterprise

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

zones.

Section 3 fixes an incorrect cross reference in the section that allows a credit for new enterprise zone business employees.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-30-103.5, **amend**
3 (1)(a) as follows:

4 **39-30-103.5. Credit against tax - contributions to enterprise**
5 **zone administrators to implement economic development plans.**

6 ~~(1) (a) (I) Except as otherwise provided in subparagraph (H) of this~~
7 ~~paragraph (a), for income tax years commencing on or after January 1,~~
8 ~~1989; Any taxpayer who makes a monetary or in-kind contribution for the~~
9 ~~purpose of implementing the economic development plan for the~~
10 ~~enterprise zone to the person or agency designated as the enterprise zone~~
11 ~~administrator by the department of local affairs, and on or after July 1,~~
12 ~~2008, by the person or agency designated as the enterprise zone~~
13 ~~administrator by the Colorado economic development commission, shall~~
14 ~~be allowed a credit against the income tax imposed by article 22 of this~~
15 ~~title TITLE 39 in an amount equal to fifty TWENTY-FIVE percent of the total~~
16 ~~value of the contribution as certified by the enterprise zone administrator.~~

17 ~~(II) For income tax years commencing on or after January 1, 1996,~~
18 ~~the amount of the credit allowed for contributions made pursuant to this~~
19 ~~paragraph (a) shall be twenty-five percent of the total value of the~~
20 ~~contribution as certified by the enterprise zone administrator; except that~~
21 ~~nothing in this subparagraph (H) shall be construed to affect the amount~~
22 ~~of the credit:~~

23 ~~(A) For contributions made prior to July 1, 1997: To an enterprise~~
24 ~~zone administrator for a project, program, or organization that was~~

1 originally approved by an enterprise zone administrator in writing prior
2 to May 1, 1996; or directly to a project, program, or organization that was
3 originally approved by an enterprise zone administrator prior to May 1,
4 1996, and that is certified by the enterprise zone administrator pursuant
5 to subsection (5) of this section; or

6 (B) For contributions made on or after July 1, 1997, through
7 December 31, 2000, pursuant to a written agreement executed prior to
8 July 1, 1997, between a taxpayer and an enterprise zone administrator in
9 which the taxpayer pledges to make future contributions to a project,
10 program, or organization that was approved by the enterprise zone
11 administrator pursuant to this section prior to May 1, 1996.

12 **SECTION 2.** In Colorado Revised Statutes, 39-30-104, **amend**
13 (2)(c)(III) and (2.5)(a)(I) as follows:

14 **39-30-104. Credit against tax - investment in certain property**
15 **- definitions.** (2) (c) (III) (A) Except as OTHERWISE provided in
16 sub-subparagraph (B) of this subparagraph (HH) SECTION 24-46-104.3 AND
17 SUBSECTION (2)(c)(III)(B) OF THIS SECTION, any excess credit allowed
18 pursuant to this ~~paragraph (c)~~ SUBSECTION (2)(c) shall be an investment
19 tax credit carryover to each of the fourteen income tax years following the
20 unused credit year.

21 (B) EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-46-104.3, any
22 excess credit allowed pursuant to this ~~paragraph (c)~~ SUBSECTION (2)(c) for
23 a renewable energy investment made in an income tax year commencing
24 before January 1, 2018, shall be an investment tax credit carryover for
25 twenty-two income tax years following the year the credit was originally
26 allowed.

27 (2.5) (a) (I) Notwithstanding section 39-22-507.5 (7)(b), and

1 except as otherwise provided in ~~section 24-46-104.3~~ and subsections
2 (2.5)(a)(II) and (2.5)(b) of this section, any excess credit allowed pursuant
3 to this section shall be an investment tax credit carryover to each of the
4 twelve income tax years following the unused credit year.

5 **SECTION 3.** In Colorado Revised Statutes, 39-30-105.1, **amend**
6 (4)(a)(II) as follows:

7 **39-30-105.1. Credit for new enterprise zone business**
8 **employees - definitions.** (4) (a) (II) Except as provided in section
9 24-46-104.3, for any income tax year commencing on or after January 1,
10 2014, if the total amount of credits claimed by a taxpayer pursuant to
11 ~~subsections (1)(a)(III)~~ SUBSECTIONS (1)(a)(II) and (3)(b) of this section
12 exceeds the amount of income taxes due on the income of the taxpayer in
13 the income tax year for which the credits are being claimed, the amount
14 of credits not used as an offset against income taxes in said income tax
15 year is not allowed as a refund but may be carried forward as a credit
16 against subsequent years' tax liability for a period not exceeding seven
17 years and is applied first to the earliest income tax years possible. Any
18 amount of the credit that is not used during said period is not refundable
19 to the taxpayer.

20 **SECTION 4. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

- 1 November 2020 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.