

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 24-1116

BY REPRESENTATIVE(S) Bird and Bradfield, Duran, Joseph, Kipp, Lieder, Marshall, Marvin, Parenti, Snyder, Titone, McCluskie;
also SENATOR(S) Kirkmeyer and Mullica, Bridges, Cutter, Michaelson
Jenet, Priola.

CONCERNING THE EXTENSION OF THE CONTAMINATED LAND STATE INCOME
TAX CREDIT.

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

SECTION 1. In Colorado Revised Statutes, 39-22-526, **amend** (1)(a) introductory portion, (1)(a)(II), (2)(a) introductory portion, (2)(a)(II), (2)(b), (3), and (4) as follows:

39-22-526. Credit for environmental remediation of contaminated land - legislative declaration - definition - repeal. (1) (a) For income tax years commencing on or after January 1, 2014, but prior to ~~January 1, 2025~~ **JANUARY 1, 2030**, there is allowed a credit against the income taxes imposed by this article 22 for any approved environmental remediation of contaminated property to any taxpayer who meets the following requirements:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(II) The taxpayer seeking the credit must possess a certificate issued by ~~the department of public health and environment~~ CDPHE pursuant to section 25-16-306 (5)(b) ~~C.R.S.~~, and subsection (3) of this section.

(2) (a) For income tax years commencing on or after January 1, 2014, but prior to ~~January 1, 2025~~ JANUARY 1, 2030, there is allowed to any qualified entity a transferable expense amount for expenses incurred by the qualified entity in performing approved environmental remediation. The transferable expense amount may only be transferred to a taxpayer to be claimed by the taxpayer as a credit pursuant to the provisions of this subsection (2). The transferrable expense amount is allowed to any qualified entity that meets the following requirements:

(II) ~~The department of public health and environment~~ CDPHE must have issued a certificate for the property pursuant to section 25-16-306 (5)(b) ~~C.R.S.~~, and subsection (3) of this section.

(b) The transferable expense amount allowed in this section must not exceed forty percent of the first seven hundred fifty thousand dollars expended by the qualified entity for the approved remediation, and must not exceed thirty percent of the next seven hundred fifty thousand dollars expended by the qualified entity for the approved remediation; except that, for income tax years commencing on or after January 1, 2022, but before ~~January 1, 2025~~ JANUARY 1, 2030, with respect to approved remediation of a site located in a rural community, the amount of the transferable expense shall not exceed fifty percent of the first seven hundred fifty thousand dollars expended for the approved remediation, and must not exceed forty percent of the next seven hundred fifty thousand dollars expended for the approved remediation. A transferable expense amount is not allowed for expenditures exceeding one million five hundred thousand dollars on any individual project.

(3) In addition to any other requirements of this section, a taxpayer shall submit a claim for a credit and a qualified entity shall submit a claim for a transferrable expense amount to ~~the department of public health and environment~~ CDPHE. The department shall issue certificates for the claims received in the order submitted. After certificates have been issued for credits and transferrable expense amounts in the aggregate amount of three million dollars for all taxpayers and qualified entities combined for the 2014 to 2021 calendar years and five million dollars for the ~~2022, 2023, and 2024~~

2022 TO 2029 calendar years, any claims that exceed the amount allowed for the calendar year shall be placed on a wait list in the order submitted and a certificate shall be issued for use of the credit or transferrable expense amount in the next year for which the department has not issued credit certificates in excess of three or five million dollars respectively. The department shall not issue certificates for any calendar year, including certificates placed on a wait list for that year, in an aggregate amount that exceeds three or five million dollars respectively. Two million dollars of the five million dollar cap is reserved only for projects in a rural community. The remaining three million dollars each year may be used by rural or nonrural communities. No claim for a credit or a transferrable expense amount is allowed for any income tax year commencing on or after January 1, 2014, unless a certificate has been issued by the department pursuant to this subsection (3).

(4) This section is repealed, effective ~~December 31, 2031~~
DECEMBER 31, 2036.

SECTION 2. 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; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO