

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0965.01 Rebecca Bayetti x4348

HOUSE BILL 24-1316

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A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A PILOT PROGRAM FOR A**
102 **MIDDLE-INCOME HOUSING INCOME TAX CREDIT.**

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>.)

The bill creates a pilot program for an income tax credit for owners of qualified housing developments focused on rental housing for middle-income individuals and families. Middle-income individuals and families are those individuals and families with an annual household income between 80% and 120% of the area median income of the households of the same size in the county in which the housing

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

SENATE
3rd Reading Unamended
May 7, 2024

SENATE
Amended 2nd Reading
May 6, 2024

HOUSE
3rd Reading Unamended
May 1, 2024

HOUSE
Amended 2nd Reading
April 30, 2024

development is located; except that, for rural resort counties, the annual income is between 80% and 140% of the area median income of the households of the same size in the county in which the housing development is located.

During the calendar years commencing on January 1, 2025, and ending on December 31, 2027, the owner of a qualified housing development may be allocated a credit by the Colorado housing and finance authority (CHFA). The amount of the credit is determined by CHFA. The allocation of credits must follow CHFA's published allocation plan, and the aggregate amount of credits allocated in one calendar year cannot exceed \$10 million. The allocated credit amount may be used to offset a qualified taxpayer's income taxes each year for a period of 5 years, beginning in the year that the qualified housing development is placed in service. Although the credit may only be claimed for a 5-year period, the owner is required to provide middle-income housing in the qualified housing development for 15 years. A portion of the credit may be recaptured under certain conditions, for instance when the owner reduces the number of units serving middle-income individuals and families. In addition, the credit is allowed against insurance premium taxes for eligible taxpayers that are not subject to income taxes.

The bill also requires CHFA to annually report on the middle-income tax credit pilot program to the general assembly and to make the report publicly available.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 54 to article
3 22 of title 39 as follows:

4 **PART 54**

5 **MIDDLE-INCOME HOUSING TAX CREDIT**

6 **39-22-5401. Tax preference performance statement -**
7 **legislative declaration.** (1) IN ACCORDANCE WITH SECTION 39-21-304,
8 WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO
9 INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A
10 STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS
11 AND DECLARES THAT THE PURPOSES OF THE TAX CREDIT ALLOWED IN THIS

1 PART 54 ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS
2 AND TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS.
3 SPECIFICALLY, THE CREDIT SEEKS TO ADDRESS THE SHORTAGE OF
4 AFFORDABLE HOUSING IN THE STATE AND INCREASE ACCESS TO
5 AFFORDABLE HOUSING BY ENCOURAGING DEVELOPERS TO BUILD UNITS
6 SPECIFICALLY FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES AND ALSO
7 TO ENCOURAGE PRIVATE SECTOR INVESTMENT IN AFFORDABLE HOUSING.

8 (2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
9 MEASURE THE EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN
10 THIS PART 54 IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (1)
11 OF THIS SECTION BASED ON THE INFORMATION REQUIRED TO BE REPORTED
12 TO THE STATE AUDITOR BY THE COLORADO HOUSING AND FINANCE
13 AUTHORITY PURSUANT TO SECTION 39-22-5408.

14 **39-22-5402. Definitions.** AS USED IN THIS PART 54, UNLESS THE
15 CONTEXT OTHERWISE REQUIRES:

16 (1) "ALLOCATION CERTIFICATE" MEANS A STATEMENT ISSUED BY
17 THE AUTHORITY CERTIFYING THAT A QUALIFIED DEVELOPMENT MEETS THE
18 REQUIREMENTS OF THIS PART 54 AND SPECIFYING THE AMOUNT OF THE
19 CREDIT ALLOCATED TO THE OWNER OF A QUALIFIED DEVELOPMENT.

20 (2) "ALLOCATION PLAN" MEANS THE ALLOCATION PLAN ADOPTED
21 BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND
22 PREFERENCES FOR ALLOCATING THE CREDITS ALLOWED IN THIS PART 54
23 AND THAT IS POSTED ON THE AUTHORITY'S WEBSITE.

24 (3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE
25 AUTHORITY CREATED IN SECTION 29-4-704.

26 (4) "COMPLIANCE PERIOD" MEANS THE PERIOD OF FIFTEEN YEARS
27 BEGINNING WITH THE FIRST TAXABLE YEAR OF THE CREDIT PERIOD.

1 (5) "CREDIT" MEANS THE MIDDLE-INCOME HOUSING TAX CREDIT
2 ALLOWED PURSUANT TO THIS PART 54.

3 (6) (a) "CREDIT PERIOD" MEANS THE PERIOD OF FIVE TAXABLE
4 YEARS BEGINNING WITH THE TAXABLE YEAR IN WHICH A QUALIFIED
5 DEVELOPMENT IS PLACED IN SERVICE.

6 (b) FOR PURPOSES OF THIS SUBSECTION (6), "PLACED IN SERVICE"
7 MEANS THE DATE DEFINED BY THE AUTHORITY AS SET FORTH IN THE
8 ALLOCATION PLAN AND BASED ON 26 CFR 1.46-3 (d).

9 (7) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
10 REVENUE.

11 (8) "MIDDLE-INCOME HOUSING UNIT" MEANS A RESIDENTIAL UNIT
12 IN A QUALIFIED DEVELOPMENT THAT IS RENT RESTRICTED AND RESERVED
13 FOR OCCUPANCY ONLY BY MIDDLE-INCOME INDIVIDUALS AND FAMILIES.

14 (9) (a) "MIDDLE-INCOME INDIVIDUALS AND FAMILIES" MEANS
15 INDIVIDUALS AND FAMILIES WITH AN ANNUAL INCOME BETWEEN EIGHTY
16 PERCENT AND ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN
17 INCOME OF HOUSEHOLDS OF THAT SIZE IN THE COUNTY IN WHICH THE
18 QUALIFIED DEVELOPMENT IS LOCATED; EXCEPT THAT, FOR INDIVIDUALS
19 AND FAMILIES RESIDING IN A RURAL RESORT COUNTY, THE ANNUAL
20 HOUSEHOLD INCOME IS BETWEEN EIGHTY PERCENT AND ONE HUNDRED
21 FORTY PERCENT OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT
22 SIZE IN THE COUNTY IN WHICH THE QUALIFIED DEVELOPMENT IS LOCATED.

23 (b) FOR PURPOSES OF THIS SUBSECTION (9), "AREA MEDIAN
24 INCOME" MEANS THE MEDIAN HOUSEHOLD INCOME OF HOUSEHOLDS OF A
25 GIVEN SIZE IN THE COUNTY IN WHICH THE HOUSING IS LOCATED, AS
26 ESTABLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF
27 HOUSING AND URBAN DEVELOPMENT.

1 (c) FOR PURPOSES OF THIS SUBSECTION (9), "RURAL RESORT
2 COUNTY" MEANS ANY COUNTY CLASSIFIED AS A RURAL RESORT COUNTY
3 BY THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS AS
4 SPECIFIED IN THE FINAL REPORT OF THE COLORADO STRATEGIC HOUSING
5 WORKING GROUP, DATED JULY 6, 2021, INCLUDING UPDATES AND
6 MODIFICATIONS TO THE INITIAL CLASSIFICATION OF A COUNTY.

7 (10) "OWNER" MEANS THE OWNER OF A QUALIFIED DEVELOPMENT.

8 (11) (a) "QUALIFIED BASIS" MEANS THE AMOUNT THAT EQUALS
9 THE ADJUSTED BASIS OF THE QUALIFIED DEVELOPMENT AS OF THE CLOSE
10 OF THE FIRST TAXABLE YEAR OF THE CREDIT PERIOD MULTIPLIED BY THE
11 APPLICABLE FRACTION.

12 (b) FOR PURPOSES OF THIS SUBSECTION (11), "ADJUSTED BASIS"
13 MEANS THE ADJUSTED BASIS AMOUNT CALCULATED ACCORDING TO THE
14 ALLOCATION PLAN.

15 (c) FOR PURPOSES OF THIS SUBSECTION (11), "APPLICABLE
16 FRACTION" MEANS THE FRACTION THAT HAS AS ITS NUMERATOR THE
17 NUMBER OF MIDDLE-INCOME HOUSING UNITS IN THE QUALIFIED
18 DEVELOPMENT AND AS ITS DENOMINATOR THE NUMBER OF RESIDENTIAL
19 UNITS IN THE QUALIFIED DEVELOPMENT.

20 (12) "QUALIFIED DEVELOPMENT" MEANS A HOUSING
21 DEVELOPMENT THAT IS LOCATED IN THE STATE AND IS DETERMINED BY
22 THE AUTHORITY TO MEET THE CRITERIA ESTABLISHED IN THE ALLOCATION
23 PLAN, INCLUDING PROVIDING THE REQUIRED NUMBER OF MIDDLE-INCOME
24 HOUSING UNITS.

25 (13) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, PERSON,
26 FIRM, CORPORATION, OR OTHER ENTITY THAT OWNS AN INTEREST, DIRECT
27 OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND THAT IS SUBJECT TO THE

1 TAXES IMPOSED BY THIS ARTICLE 22.

2 (14) (a) "RENT RESTRICTED" MEANS A RESIDENTIAL UNIT IN A
3 QUALIFIED DEVELOPMENT FOR WHICH THE GROSS RENT DOES NOT EXCEED
4 THIRTY PERCENT OF THE IMPUTED INCOME LIMITATION APPLICABLE TO THE
5 UNIT.

6 (b) FOR PURPOSES OF THIS SUBSECTION (14), "IMPUTED INCOME
7 LIMITATION APPLICABLE TO THE UNIT" MEANS THE INCOME LIMITATION
8 FOR OCCUPANTS OF THE UNIT CALCULATED BASED ON THE NUMBER OF
9 BEDROOMS IN THE UNIT AND USING THE AREA MEDIAN INCOME TARGET
10 ELECTED BY THE OWNER, AS FOLLOWS:

11 (I) IN THE CASE OF A UNIT WITHOUT A SEPARATE BEDROOM, ONE
12 INDIVIDUAL; OR

13 (II) IN THE CASE OF A UNIT WITH ONE OR MORE SEPARATE
14 BEDROOMS, ONE AND ONE-HALF INDIVIDUALS FOR EACH SEPARATE
15 BEDROOM.

16 **39-22-5403. Credit against tax - middle-income housing**
17 **developments.** (1) FOR THE INCOME TAX YEARS DURING THE CREDIT
18 PERIOD, A QUALIFIED TAXPAYER IS ALLOWED A CREDIT AGAINST THE
19 INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT DETERMINED
20 BY THE AUTHORITY PURSUANT TO THIS PART 54.

21 (2) THE AUTHORITY MAY ALLOCATE A CREDIT TO THE OWNER OF
22 A QUALIFIED DEVELOPMENT BY ISSUING AN ALLOCATION CERTIFICATE TO
23 THE OWNER. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH IT WILL
24 ISSUE AN ALLOCATION CERTIFICATE. THE AUTHORITY SHALL DETERMINE
25 THE AMOUNT OF THE CREDIT. ALL CREDIT ALLOCATIONS MUST BE MADE
26 ACCORDING TO THE ALLOCATION PLAN AND EACH CREDIT MUST BE
27 NECESSARY FOR THE FINANCIAL FEASIBILITY OF THE QUALIFIED

1 DEVELOPMENT.

2 (3) THE AUTHORITY SHALL NOT ALLOCATE A CREDIT TO AN OWNER
3 PURSUANT TO THIS PART 54 UNLESS THE QUALIFIED DEVELOPMENT MEETS
4 THE FOLLOWING REQUIREMENTS:

5 (a) THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED
6 RESTRICTIVE COVENANT REQUIRING THE DEVELOPMENT TO BE
7 MAINTAINED AND OPERATED AS A QUALIFIED DEVELOPMENT FOR THE
8 LENGTH OF THE COMPLIANCE PERIOD OR LONGER; AND

9 (b) THE QUALIFIED DEVELOPMENT MEETS THE ACCESSIBILITY AND
10 ADAPTABILITY REQUIREMENTS OF TITLE VIII OF THE FEDERAL "CIVIL
11 RIGHTS ACT OF 1968", AS AMENDED BY THE FEDERAL "FAIR HOUSING
12 AMENDMENTS ACT OF 1988", 24 U.S.C. 3601 ET SEQ.

13 (4) (a) DURING EACH CALENDAR YEAR OF THE PERIOD BEGINNING
14 ON JANUARY 1, 2025, AND ENDING ON DECEMBER 31, 2029, THE
15 AUTHORITY MAY ALLOCATE A CREDIT, THE FULL AMOUNT OF WHICH MAY
16 BE CLAIMED BY A QUALIFIED TAXPAYER AGAINST THE TAXES IMPOSED BY
17 THIS ARTICLE 22 FOR EACH TAX YEAR OF THE FIVE-YEAR CREDIT PERIOD.

18 (b) (I) THE AGGREGATE AMOUNT OF ALL CREDITS ALLOCATED BY
19 THE AUTHORITY IN EACH CALENDAR YEAR MUST NOT EXCEED THE
20 FOLLOWING AMOUNTS:

21 (A) FOR CALENDAR YEAR 2025, FIVE MILLION DOLLARS;

22 (B) FOR CALENDAR YEAR 2026, FIVE MILLION DOLLARS;

23 (C) FOR CALENDAR YEAR 2027, TEN MILLION DOLLARS;

24 (D) FOR CALENDAR YEAR 2028, TEN MILLION DOLLARS; AND

25 (E) FOR CALENDAR YEAR 2029, TEN MILLION DOLLARS.

26 (II) THE AUTHORITY MAY ALSO ALLOCATE ANY UNALLOCATED
27 CREDITS FROM PRECEDING CALENDAR YEARS, AND THESE UNALLOCATED

1 CREDITS ARE NOT INCLUDED IN THE ANNUAL DOLLAR LIMITS SPECIFIED IN
2 SUBSECTION (4)(b)(I) OF THIS SECTION.

3 (c) THE AUTHORITY SHALL ADD THE AGGREGATE AMOUNT OF ANY
4 UNALLOCATED CREDITS REMAINING AS OF DECEMBER 31, 2029, TO THE
5 AMOUNT OF CREDITS THE AUTHORITY MAY ALLOCATE PURSUANT TO PART
6 21 OF THIS ARTICLE 22.

7 (5) IF THE AMOUNT OF A CREDIT ALLOCATED PURSUANT TO THIS
8 SECTION EXCEEDS THE TAXES DUE ON THE QUALIFIED TAXPAYER'S INCOME
9 FOR THE TAXABLE YEAR, THE EXCESS CREDIT AMOUNT MAY BE CARRIED
10 FORWARD AS A CREDIT AGAINST THE QUALIFIED TAXPAYER'S INCOME TAX
11 LIABILITY FOR UP TO THREE TAX YEARS FOLLOWING THE CREDIT PERIOD
12 AND MUST BE APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY
13 AMOUNT OF THE CREDIT THAT IS NOT APPLIED AGAINST INCOME TAX
14 LIABILITY WITHIN THIS THREE-YEAR CARRY-FORWARD PERIOD SHALL NOT
15 BE REFUNDED TO THE TAXPAYER.

16 (6) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN
17 ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,
18 S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY
19 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,
20 OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH
21 PERSONS, REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A
22 PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL
23 CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO
24 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER.
25 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER
26 ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED
27 TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX CREDIT

1 CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT, SUBJECT TO
2 ANY RESTRICTIONS SET FORTH IN THIS PART 54 OR IMPOSED BY THE
3 AUTHORITY OR THE DEPARTMENT.

4 (7) TO CLAIM THE TAX CREDIT ALLOWED IN THIS PART 54, AN
5 OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE AUTHORITY
6 ALLOCATED A CREDIT AND ANY QUALIFIED TAXPAYER TO WHICH AN
7 OWNER HAS ALLOCATED A PORTION OF ITS CREDIT SHALL FILE WITH ITS
8 STATE INCOME TAX RETURN THE FOLLOWING DOCUMENTS:

9 (a) A COPY OF THE ALLOCATION CERTIFICATE ISSUED BY THE
10 AUTHORITY; AND

11 (b) A COPY OF THE OWNER'S CERTIFICATION TO THE DEPARTMENT
12 REGARDING ITS ALLOCATION OF THE CREDIT AMONG THE QUALIFIED
13 TAXPAYERS HAVING OWNERSHIP INTERESTS IN THE QUALIFIED
14 DEVELOPMENT, IF ANY.

15 **39-22-5404. Qualified development owned by governmental**
16 **or quasi-governmental entity.** (1) NOTWITHSTANDING ANY OTHER
17 PROVISION OF THIS PART 54:

18 (a) THE AUTHORITY MAY ALLOCATE CREDITS TO ANY
19 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY, INCLUDING THE
20 MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104,
21 WITH RESPECT TO A QUALIFIED DEVELOPMENT THAT IS OWNED BY SUCH
22 ENTITY.

23 (b) (I) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY MAY
24 TRANSFER CREDITS ALLOCATED TO IT BY THE AUTHORITY TO ANY
25 QUALIFIED TAXPAYER.

26 (II) SUCH A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY
27 SHALL INVEST IN THE QUALIFIED DEVELOPMENT ANY COMPENSATION

1 RECEIVED IN CONNECTION WITH A TRANSFER OF CREDITS TO A QUALIFIED
2 TAXPAYER.

3 (III) A QUALIFIED TAXPAYER TO WHICH A CREDIT IS TRANSFERRED
4 PURSUANT TO THIS SUBSECTION (1)(b) IS ENTITLED TO CLAIM THE CREDIT
5 IN THE SAME MANNER AND SUBJECT TO THE SAME CONDITIONS AND
6 ALLOCATION RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO
7 WHICH THE AUTHORITY HAS ALLOCATED A CREDIT.

8 (c) (I) A CREDIT ALLOCATED TO A GOVERNMENTAL OR
9 QUASI-GOVERNMENTAL ENTITY OR A TRANSFEREE THEREOF IS SUBJECT TO
10 RECAPTURE PURSUANT TO SECTION 39-22-5405.

11 (II) IF A CREDIT TRANSFERRED TO A QUALIFIED TAXPAYER BY A
12 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY IS RECAPTURED
13 PURSUANT TO SECTION 39-22-5405, THE GOVERNMENTAL OR
14 QUASI-GOVERNMENTAL ENTITY SHALL NOTIFY THE DEPARTMENT OF THE
15 IDENTITY OF THE QUALIFIED TAXPAYER TO WHICH IT TRANSFERRED A
16 CREDIT.

17 **39-22-5405. Recapture.** (1) AS OF THE LAST DAY OF ANY
18 TAXABLE YEAR DURING THE COMPLIANCE PERIOD, IF THE AMOUNT OF THE
19 QUALIFIED BASIS OF A QUALIFIED DEVELOPMENT WITH RESPECT TO A
20 QUALIFIED TAXPAYER IS LESS THAN THE AMOUNT OF THE QUALIFIED BASIS
21 WITH RESPECT TO A QUALIFIED TAXPAYER AS OF THE LAST DAY OF THE
22 PRIOR TAXABLE YEAR, THEN THE AMOUNT OF A RELEVANT TAXPAYER'S
23 STATE INCOME TAX LIABILITY FOR THAT TAXABLE YEAR IS INCREASED BY
24 THE CREDIT RECAPTURE AMOUNT.

25 (2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE
26 CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE
27 DECREASE IN THE CREDIT ALLOWED TO A QUALIFIED TAXPAYER PURSUANT

1 TO THIS PART 54 FOR ALL PRIOR TAXABLE YEARS THAT WOULD HAVE
2 RESULTED IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY
3 REASON OF THIS PART 54 WERE NOT ALLOWED FOR ALL PRIOR TAXABLE
4 YEARS WITH RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS
5 DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

6 (3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE
7 ACCELERATED PORTION OF THE CREDIT FOR THE PRIOR TAXABLE YEARS
8 WITH RESPECT TO ANY AMOUNT OF QUALIFIED BASIS IS THE DIFFERENCE
9 BETWEEN:

10 (a) THE AGGREGATE CREDIT ALLOWED PURSUANT TO THIS PART 54,
11 NOTWITHSTANDING THIS SUBSECTION (3), FOR THE YEARS WITH RESPECT
12 TO SUCH QUALIFIED BASIS; AND

13 (b) THE AGGREGATE CREDIT THAT WOULD BE ALLOWABLE
14 PURSUANT TO THIS PART 54 FOR SUCH YEARS WITH RESPECT TO THE
15 QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN
16 ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE
17 PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

18 (4) IF RECAPTURE OF ANY CREDIT IS REQUIRED IN ANY TAX YEAR,
19 THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE DEPARTMENT MUST
20 INCLUDE THE FOLLOWING INFORMATION:

21 (a) THE PORTION OF CREDIT REQUIRED TO BE RECAPTURED;

22 (b) THE IDENTITY OF EACH TAXPAYER SUBJECT TO THE
23 RECAPTURE; AND

24 (c) THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED TO THE
25 TAXPAYER.

26 **39-22-5406. Parallel credits - insurance premium taxes.**

27 (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE

1 PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128
2 AND WHO IS THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND
3 WHO IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART
4 54 MAY CLAIM THE CREDIT AND CARRY THE CREDIT FORWARD AGAINST
5 THE INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED
6 TAX PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE
7 SAME EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR
8 CARRY FORWARD SUCH CREDIT AGAINST INCOME TAX. ALL OTHER
9 PROVISIONS OF THIS PART 54 WITH RESPECT TO THE CREDIT, INCLUDING
10 THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT AND THE
11 YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A CREDIT
12 CLAIMED PURSUANT TO THIS SECTION.

13 (2) FOR PURPOSES OF ADMINISTERING THIS SECTION, ANY
14 REFERENCE IN THIS PART 54 TO "INCOME TAX YEAR" MEANS CALENDAR
15 YEAR.

16 **39-22-5407. Rules - compliance monitoring.** (1) THE
17 AUTHORITY AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, IN
18 CONSULTATION WITH EACH OTHER, SHALL PROMULGATE RULES
19 NECESSARY FOR THEIR RESPECTIVE ADMINISTRATION OF THIS PART 54.
20 RULES OF THE AUTHORITY ARE ADOPTED PURSUANT TO SECTION 29-4-708.

21 (2) THE AUTHORITY, IN CONSULTATION WITH THE DEPARTMENT,
22 SHALL MONITOR AND OVERSEE COMPLIANCE WITH THIS PART 54 AND
23 SHALL REPORT SPECIFIC OCCURRENCES OF NONCOMPLIANCE TO THE
24 DEPARTMENT.

25 **39-22-5408. Reporting requirements.** (1) BY DECEMBER 31 OF
26 EACH CALENDAR YEAR DURING WHICH CREDITS WERE ALLOCATED BY THE
27 AUTHORITY PURSUANT TO THIS PART 54, THE AUTHORITY SHALL PROVIDE

1 A WRITTEN REPORT ON THE MIDDLE-INCOME HOUSING TAX CREDIT PILOT
2 PROGRAM CREATED IN THIS PART 54 TO THE GENERAL ASSEMBLY AND
3 SHALL MAKE THE REPORT AVAILABLE TO THE PUBLIC. THE REPORT MUST:

4 (a) SPECIFY THE NUMBER OF QUALIFIED DEVELOPMENTS FOR
5 WHICH THE AUTHORITY HAS ALLOCATED A CREDIT TO THE OWNER OF THE
6 QUALIFIED DEVELOPMENT DURING THE CALENDAR YEAR AND THE NUMBER
7 OF UNITS IN EACH DEVELOPMENT;

8 (b) PROVIDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION
9 THAT DEMONSTRATES HOW THE QUALIFIED DEVELOPMENTS SUPPORTED BY
10 THE CREDIT ARE ADDRESSING THE NEED FOR MIDDLE-INCOME HOUSING
11 WITHIN THE COMMUNITIES THEY ARE INTENDED TO SERVE AND PROVIDE
12 INFORMATION ABOUT ANY REMAINING DISPARITIES IN HOUSING
13 AFFORDABILITY WITHIN THOSE COMMUNITIES; AND

14 (c) DESCRIBE EACH QUALIFIED DEVELOPMENT FOR WHICH THE
15 AUTHORITY HAS ALLOCATED A CREDIT, INCLUDING THE FOLLOWING:

16 (I) THE GEOGRAPHIC LOCATION OF THE QUALIFIED DEVELOPMENT;

17 (II) THE TOTAL NUMBER OF HOUSING UNITS SUPPORTED BY EACH
18 QUALIFIED DEVELOPMENT;

19 (III) THE HOUSEHOLD TYPE AND ANY SPECIFIC DEMOGRAPHIC
20 INFORMATION AVAILABLE ABOUT RESIDENTS INTENDED TO BE SERVED BY
21 THE QUALIFIED DEVELOPMENT;

22 (IV) THE INCOME LEVELS INTENDED TO BE SERVED BY THE
23 QUALIFIED DEVELOPMENT; AND

24 (V) THE RENTS OR SET-ASIDES AUTHORIZED FOR EACH HOUSING
25 UNIT IN THE QUALIFIED DEVELOPMENT.

26 (1.5) IN ADDITION TO THE INFORMATION REQUIRED PURSUANT TO
27 SUBSECTION (1) OF THIS SECTION, BY DECEMBER 31 OF THE LAST

1 CALENDAR YEAR DURING WHICH CREDITS WERE ALLOCATED BY THE
2 AUTHORITY PURSUANT TO THIS PART 54, THE AUTHORITY SHALL INCLUDE
3 IN ITS ANNUAL REPORT THE FOLLOWING INFORMATION SUMMARIZING THE
4 MIDDLE-INCOME HOUSING TAX CREDIT PILOT PROGRAM CREATED IN THIS
5 PART 54:

6 (a) AN OVERVIEW OF THE DEMAND FOR AND UTILIZATION OF THE
7 MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART
8 54;

9 (b) A SUMMARY OF THE APPLICATIONS FOR AND ALLOCATIONS OF
10 THE TAX CREDIT CREATED IN THIS PART 54, BROKEN DOWN BY
11 GEOGRAPHIC LOCATION AND BY THE TAXPAYER APPLYING FOR THE
12 CREDIT;

13 (c) AN ANALYSIS, AS PRACTICABLE, OF THE IMPACT OF THE
14 MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART
15 54 ON THE FOLLOWING:

16 (I) MIDDLE-INCOME INDIVIDUALS AND FAMILIES IN THE
17 COMMUNITIES THAT THE QUALIFIED DEVELOPMENTS ARE INTENDED TO
18 SERVE;

19 (II) MIDDLE-INCOME INDIVIDUALS AND FAMILIES STATEWIDE;

20 (III) HOUSING NEEDS IN THE COMMUNITIES THAT THE QUALIFIED
21 DEVELOPMENTS ARE INTENDED TO SERVE; AND

22 (IV) HOUSING NEEDS STATEWIDE; AND

23 (d) ANY CHALLENGES OR OPPORTUNITIES RELATED TO THE
24 MIDDLE-INCOME HOUSING TAX CREDIT PROGRAM CREATED IN THIS PART
25 54, AS IDENTIFIED BY THE AUTHORITY.

26 (2) THE AUTHORITY SHALL PROVIDE ANY INFORMATION
27 DETERMINED NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE

1 CREDIT ALLOWED IN THIS PART 54 IN ACHIEVING THE PURPOSES SET FORTH
2 IN SECTION 39-22-5401 (1) TO THE STATE AUDITOR AS PART OF THE STATE
3 AUDITOR'S EVALUATION OF TAX EXPENDITURES PURSUANT TO SECTION
4 39-21-305.

5 **39-22-5409. Repeal.** THIS PART 54 IS REPEALED, EFFECTIVE
6 JANUARY 1, 2055.

7 **SECTION 2.** In Colorado Revised Statutes, 29-4-1107, **amend**
8 (14) as follows:

9 **29-4-1107. Powers of the board - selection of projects -**
10 **ownership - report.** (14) The authority shall not issue exempt facility
11 bonds, as defined in section 142(a) of the internal revenue code of 1986,
12 as amended, use private activity bonds volume cap allocation in the
13 issuance of any bonds, or receive a direct allocation, statewide balance
14 award or assignment of allocation of state ceiling under the Colorado
15 private activity bond ceiling allocation act set forth in part 17 of article 32
16 of title 24, and the authority shall not use federal LIHTC or THE
17 COLORADO state affordable housing tax ~~credits~~ CREDIT AUTHORIZED
18 UNDER PART 21 OF ARTICLE 22 OF TITLE 39 for its affordable rental
19 housing projects.

20 **SECTION 3. Safety clause.** The general assembly finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, or safety or for appropriations for
23 the support and maintenance of the departments of the state and state
24 institutions.