

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0502.01 Alison Killen x4350

HOUSE BILL 24-1116

HOUSE SPONSORSHIP

Bird and Bradfield,

SENATE SPONSORSHIP

Kirkmeyer and Mullica,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE EXTENSION OF THE CONTAMINATED LAND STATE
102 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>.)

Under current law, on or after January 1, 2014, but prior to January 2025, a taxpayer is allowed a credit against state income tax for an approved environmental remediation of contaminated property. The bill extends the availability of the income tax credit an additional 10 years, through income tax years commencing prior to January 1, 2035.

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.

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

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

5 **39-22-526. Credit for environmental remediation of**
6 **contaminated land - legislative declaration - definition - repeal.**

7 (1) (a) For income tax years commencing on or after January 1, 2014, but
8 prior to ~~January 1, 2025~~ JANUARY 1, 2035, there is allowed a credit
9 against the income taxes imposed by this article 22 for any approved
10 environmental remediation of contaminated property to any taxpayer who
11 meets the following requirements:

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

16 (2) (a) For income tax years commencing on or after January 1,
17 2014, but prior to ~~January 1, 2025~~ JANUARY 1, 2035, there is allowed to
18 any qualified entity a transferable expense amount for expenses incurred
19 by the qualified entity in performing approved environmental
20 remediation. The transferable expense amount may only be transferred to
21 a taxpayer to be claimed by the taxpayer as a credit pursuant to the
22 provisions of this subsection (2). The transferrable expense amount is
23 allowed to any qualified entity that meets the following requirements:

24 (II) ~~The department of public health and environment~~ CDPHE
25 must have issued a certificate for the property pursuant to section
26 25-16-306 (5)(b) ~~C.R.S.~~, and subsection (3) of this section.

1 (b) The transferable expense amount allowed in this section must
2 not exceed forty percent of the first seven hundred fifty thousand dollars
3 expended by the qualified entity for the approved remediation, and must
4 not exceed thirty percent of the next seven hundred fifty thousand dollars
5 expended by the qualified entity for the approved remediation; except
6 that, for income tax years commencing on or after January 1, 2022, but
7 before ~~January 1, 2025~~ JANUARY 1, 2035, with respect to approved
8 remediation of a site located in a rural community, the amount of the
9 transferable expense shall not exceed fifty percent of the first seven
10 hundred fifty thousand dollars expended for the approved remediation,
11 and must not exceed forty percent of the next seven hundred fifty
12 thousand dollars expended for the approved remediation. A transferable
13 expense amount is not allowed for expenditures exceeding one million
14 five hundred thousand dollars on any individual project.

15 (3) In addition to any other requirements of this section, a
16 taxpayer shall submit a claim for a credit and a qualified entity shall
17 submit a claim for a transferrable expense amount to ~~the department of~~
18 ~~public health and environment~~ CDPHE. The department shall issue
19 certificates for the claims received in the order submitted. After
20 certificates have been issued for credits and transferrable expense
21 amounts in the aggregate amount of three million dollars for all taxpayers
22 and qualified entities combined for the 2014 to 2021 calendar years and
23 five million dollars for the ~~2022, 2023, and 2024~~ 2022 TO 2034 calendar
24 years, any claims that exceed the amount allowed for the calendar year
25 shall be placed on a wait list in the order submitted and a certificate shall
26 be issued for use of the credit or transferrable expense amount in the next
27 year for which the department has not issued credit certificates in excess

1 of three or five million dollars respectively. The department shall not
2 issue certificates for any calendar year, including certificates placed on a
3 wait list for that year, in an aggregate amount that exceeds three or five
4 million dollars respectively. Two million dollars of the five million dollar
5 cap is reserved only for projects in a rural community. The remaining
6 three million dollars each year may be used by rural or nonrural
7 communities. No claim for a credit or a transferrable expense amount is
8 allowed for any income tax year commencing on or after January 1, 2014,
9 unless a certificate has been issued by the department pursuant to this
10 subsection (3).

11 (4) This section is repealed, effective ~~December 31, 2031~~
12 DECEMBER 31, 2041.

13 **SECTION 2. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly; except
16 that, if a referendum petition is filed pursuant to section 1 (3) of article V
17 of the state constitution against this act or an item, section, or part of this
18 act within such period, then the act, item, section, or part will not take
19 effect unless approved by the people at the general election to be held in
20 November 2024 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.