

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 13-0546.01 Ed DeCecco x4216

**HOUSE BILL 13-1174**

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**HOUSE SPONSORSHIP**

**Saine and Humphrey**, Holbert, Buck, Wilson, Rankin, Wright, Nordberg, Murray, Dore, Gardner, DelGrosso, Everett, Joshi, Landgraf, McNulty, Navarro, Stephens

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**A BILL FOR AN ACT**

101     **CONCERNING BUSINESS PERSONAL PROPERTY EXEMPTIONS, AND, IN**  
102             **CONNECTION THEREWITH, ENACTING THE "SMALL BUSINESS**  
103             **RELIEF ACT".**

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**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://www.leg.state.co.us/billsummaries>.)*

The amount of the exemption from property tax for business personal property that would otherwise be listed on a single personal property schedule is \$7,000 for the current property tax year cycle and an inflation-adjusted amount for each property tax year cycle thereafter. The

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

bill increases this exemption to \$25,000 for the 2015-16 property tax year cycle and to \$50,000 for the 2017-18 property tax year cycle.

The bill also exempts all locally assessed business personal property that has fully depreciated from the property tax.

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

2 **SECTION 1. Short title.** This act shall be known and may be  
3 cited as the "Colorado Small Business Relief Act".

4 **SECTION 2. Legislative declaration.** (1) The general assembly  
5 finds that:

6 (a) Increasing the per schedule personal property tax exemption  
7 will stimulate the state economy by providing a strong incentive for local  
8 small businesses to reduce their tax liabilities by purchasing new  
9 equipment and machinery to replace their current equipment and  
10 machinery;

11 (b) This investment in replacement business personal property will  
12 create new jobs and generate sales and income tax revenue;

13 (c) Preparing a personal property schedule is time consuming and  
14 burdensome;

15 (d) This administrative burden causes a particular hardship for  
16 small businesses that have to spend time on paperwork instead of  
17 focusing on sales;

18 (e) The collection of the property tax also requires a substantial  
19 amount of county resources;

20 (f) Raising the exemption will allow counties to save money on  
21 administering the property tax or to focus on taxpayers with more  
22 substantial tax bills; and

23 (g) Property tax is always levied on business personal property,

1 even after the property has fully depreciated.

2 (2) Therefore, the general assembly declares that the intended  
3 purposes of the tax expenditure included in this act are to stimulate the  
4 economy by encouraging capital investment, to remove administrative  
5 burdens on small businesses and costs for counties, and to eliminate the  
6 perpetual property tax on locally assessed business personal property.

7 **SECTION 3.** In Colorado Revised Statutes, 39-3-119.5, **amend**  
8 (2) (a) (III), (2) (a) (IV), and (2) (b) (I); and **add** (2) (a) (V) and (2) (a)  
9 (VI) as follows:

10 **39-3-119.5. Personal property - exemption - definitions.**

11 (2) (a) The exemption created in subsection (1) of this section shall be up  
12 to and including the following amounts:

13 (III) Five thousand five hundred dollars for property tax years  
14 commencing on January 1, 2011, and January 1, 2012; ~~and~~

15 (IV) Seven thousand dollars for property tax years commencing  
16 on January 1, 2013, and January 1, 2014;

17 (V) TWENTY-FIVE THOUSAND DOLLARS FOR PROPERTY TAX YEARS  
18 COMMENCING ON JANUARY 1, 2015, AND JANUARY 1, 2016; AND

19 (VI) FIFTY THOUSAND DOLLARS FOR PROPERTY TAX YEARS  
20 COMMENCING ON JANUARY 1, 2017, AND JANUARY 1, 2018.

21 (b) (I) Beginning with the property tax year commencing on  
22 ~~January 1, 2015~~ JANUARY 1, 2019, the amount of the exemption created  
23 in subsection (1) of this section shall be adjusted biennially to account for  
24 inflation since the amount of the exemption last changed pursuant to this  
25 subsection (2). On or before ~~November 1, 2014~~ NOVEMBER 1, 2018, and  
26 each even-numbered year thereafter, the administrator shall calculate the  
27 amount of the exemption for the next two-year cycle using inflation for

1 the prior two calendar years as of the date of the calculation. The adjusted  
2 exemption shall be rounded upward to the nearest one hundred dollar  
3 increment. The administrator shall certify the amount of the exemption  
4 for the next two-year cycle and publish the amount on the web site  
5 maintained by the division of property taxation in the department of local  
6 affairs.

7 **SECTION 4.** In Colorado Revised Statutes, **add** 39-3-119.7 as  
8 follows:

9 **39-3-119.7. Business personal property - fully depreciated -**  
10 **exemption.** FOR PROPERTY TAX YEARS COMMENCING ON AND AFTER  
11 JANUARY 1, 2015, LOCALLY ASSESSED BUSINESS PERSONAL PROPERTY  
12 THAT HAS FULLY DEPRECIATED ACCORDING TO THE MANUALS, APPRAISAL  
13 PROCEDURES, AND INSTRUCTIONS PREPARED AND PUBLISHED BY THE  
14 PROPERTY TAX ADMINISTRATOR PURSUANT TO SECTION 39-2-109 (1) (e)  
15 IS EXEMPT FROM THE LEVY AND COLLECTION OF PROPERTY TAX.

16 **SECTION 5. Act subject to petition - effective date.** This act  
17 takes effect at 12:01 a.m. on the day following the expiration of the  
18 ninety-day period after final adjournment of the general assembly (August  
19 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a  
20 referendum petition is filed pursuant to section 1 (3) of article V of the  
21 state constitution against this act or an item, section, or part of this act  
22 within such period, then the act, item, section, or part will not take effect  
23 unless approved by the people at the general election to be held in  
24 November 2014 and, in such case, will take effect on the date of the  
25 official declaration of the vote thereon by the governor.