

NOTE: This bill has been prepared for the signature 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 10-1199

BY REPRESENTATIVE(S) Ferrandino, Benefield, Frangas, Hullinghorst, Judd, Kagan, Labuda, Levy, Pommer;
also SENATOR(S) Heath.

CONCERNING A TEMPORARY LIMIT ON THE STATE INCOME TAX DEDUCTION
FOR A NET OPERATING LOSS.

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

SECTION 1. Article 21 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

39-21-122. Revenue impact of 2010 tax legislation - tracking by department. THE DEPARTMENT OF REVENUE SHALL ACCOUNT FOR ALL REVENUE ATTRIBUTABLE TO THE ENACTMENT OF HOUSE BILL 10-1199, ENACTED IN 2010, AND SHALL, TO THE EXTENT SUCH INFORMATION IS AVAILABLE, MAKE QUARTERLY REPORTS TO THE GENERAL ASSEMBLY REGARDING THE QUARTERLY AND CUMULATIVE NET REVENUE GAIN TO THE STATE RESULTING FROM THE ENACTMENT OF SAID BILL.

SECTION 2. 39-22-504, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

39-22-504. Net operating losses. (6) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE MAXIMUM AMOUNT OF NET OPERATING LOSS THAT A CORPORATION MAY SUBTRACT FROM FEDERAL TAXABLE INCOME PURSUANT TO SECTION 39-22-304 (3) (g) FOR A TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 2014, IS TWO HUNDRED FIFTY THOUSAND DOLLARS.

(b) ALL NET OPERATING LOSSES MAY BE CARRIED FORWARD ONE ADDITIONAL YEAR FOR EACH TAX YEAR THAT A CORPORATION IS PROHIBITED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (6) FROM SUBTRACTING A PORTION OF SUCH NET OPERATING LOSSES FROM THE CORPORATION'S FEDERAL TAXABLE INCOME.

(c) AN AMOUNT EQUAL TO THE AMOUNT OF ALL NET OPERATING LOSSES THAT A CORPORATION IS PROHIBITED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (6) FROM SUBTRACTING FROM FEDERAL TAXABLE INCOME MULTIPLIED BY A RATE OF INTEREST EQUAL TO THREE AND ONE-QUARTER PERCENT PER ANNUM FOR THE PERIOD DURING WHICH SUCH NET OPERATING LOSSES ARE PROHIBITED SHALL BE ADDED TO THE ALLOWABLE NET OPERATING LOSS THAT IS CARRIED FORWARD BY THE CORPORATION, AND, FOR THE PURPOSE OF SECTION 39-22-304 (3) (g), SHALL BE CONSIDERED NET OPERATING LOSS.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO