

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 15-0813.01 Esther van Mourik x4215

HOUSE BILL 15-1260

HOUSE SPONSORSHIP

Lee,

SENATE SPONSORSHIP

Scott,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE PERCENTAGE OF A LANDOWNER'S**
102 **COSTS INCURRED IN PERFORMING WILDFIRE MITIGATION**
103 **MEASURES THAT MAY BE CLAIMED BY THE LANDOWNER FOR**
104 **PURPOSES OF THE WILDFIRE MITIGATION INCOME TAX**
105 **DEDUCTION.**

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 bill changes the wildfire mitigation income tax deduction to the wildfire mitigation income tax credit. An income tax deduction

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.

HOUSE
3rd Reading Unamended
May 1, 2015

HOUSE
Amended 2nd Reading
April 30, 2015

reduces a taxpayer's taxable income, the amount to which the tax rate is applied. A tax credit reduces a taxpayer's tax liability by taking a dollar-for-dollar reduction in what is owed by what the credit allows. The bill allows a landowner a credit of 25% of the costs incurred in performing wildfire mitigation measures, not to exceed \$2,500. Any amount in excess of the landowner's tax liability in the year the credit is first claimed may be carried forward to offset the landowner's future tax liability for 5 years.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Warm winters, hot and dry summers, severe drought, insect
5 and disease infestations, years of fire suppression, and population growth
6 in the wildland-urban interface continue to increase wildfire risk and the
7 potential for catastrophic wildland fires in Colorado;

8 (b) Mitigating wildfire risk by creating a defensible space around
9 structures is imperative not only to the home and the homeowner, but also
10 to the homeowner's community and to the safety of the firefighters called
11 to a home to defend it from a wildfire;

12 (c) By creating an adequate defensible space around structures, a
13 homeowner can give firefighters the safest and best chance to defend the
14 home from a wildfire; and

15 (d) Increasing the amount of the existing income tax deduction
16 available for a taxpayer for a portion of the costs of wildfire mitigation
17 measures that the taxpayer incurs is sound public policy.

18 **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **amend**
19 (4) (n.5) (I) (A); and **add** (4) (n.5) (I) (A.5) as follows:

20 **39-22-104. Income tax imposed on individuals, estates, and**
21 **trusts - single rate - definitions - repeal.** (4) There shall be subtracted

1 from federal taxable income:

2 (n.5) (I) (A) For income tax years commencing on or after January
3 1, 2014, but prior to ~~January 1, 2025~~ JANUARY 1, 2016, AND FOR INCOME
4 TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO
5 JANUARY 1, 2025, an amount equal to fifty percent of a landowner's costs
6 incurred in performing wildfire mitigation measures in that income tax
7 year on his or her property located within the state; except that the amount
8 of the deduction claimed in an income tax year shall not exceed two
9 thousand five hundred dollars or the total amount of the landowner's
10 federal taxable income for the income tax year for which the deduction
11 is claimed, whichever is less.

12 (A.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
13 JANUARY 1, 2016, BUT PRIOR TO JANUARY 1, 2019, AN AMOUNT EQUAL TO
14 ONE HUNDRED PERCENT OF A LANDOWNER'S COSTS INCURRED IN
15 PERFORMING WILDFIRE MITIGATION MEASURES IN THAT INCOME TAX YEAR
16 ON HIS OR HER PROPERTY LOCATED WITHIN THE STATE; EXCEPT THAT THE
17 AMOUNT OF THE DEDUCTION CLAIMED IN AN INCOME TAX YEAR SHALL NOT
18 EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS OR THE TOTAL AMOUNT
19 OF THE LANDOWNER'S FEDERAL TAXABLE INCOME FOR THE INCOME TAX
20 YEAR FOR WHICH THE DEDUCTION IS CLAIMED, WHICHEVER IS LESS.

21 ■ ■ ■

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly (August
25 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2016 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.