

NOTE: This bill has been prepared for the signatures 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 13-1265

BY REPRESENTATIVE(S) Hullinghorst, Fields, Fischer, Kagan, Labuda, Lee, Levy, Melton, Mitsch Bush, Pabon, Pettersen, Primavera, Salazar, Schafer, Tyler, Young;
also SENATOR(S) Heath, Guzman, Jones, Newell, Schwartz, Todd.

CONCERNING THE INCOME TAX CREDIT FOR BUSINESS FACILITY EMPLOYEES
UNDER THE "URBAN AND RURAL ENTERPRISE ZONE ACT".

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

SECTION 1. In Colorado Revised Statutes, 39-30-105, **amend** (1) (a) (I), (1) (a) (III), (1) (b), (3), (5) (a), (5) (b), and (7) (c) (III) (A); and **add** (8) as follows:

39-30-105. Credit for new business facility employees - definitions - repeal. (1) (a) (I) For any income tax year commencing on or after January 1, 1993, BUT PRIOR TO JANUARY 1, 2014, any taxpayer who establishes a new business facility in an enterprise zone shall be allowed a credit against the income tax imposed by article 22 of this title in an amount equal to five hundred dollars per income tax year for each new business facility employee, pursuant to subsection (6) of this section, who is working within the zone, prorated according to the number of months the employee was employed by the taxpayer during the income tax year. An employee

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

whose primary duties consist of operating a commercial motor vehicle with a commercial driver's license shall be deemed to be working one hundred percent within the zone if the employee spends no more than five percent of his or her total time at any facility of the employer other than the facility within the zone.

(III) For any income tax year commencing on or after January 1, 2003, BUT PRIOR TO JANUARY 1, 2014, any taxpayer who establishes a new business facility in an enhanced rural enterprise zone shall be allowed an additional credit against the income tax imposed by article 22 of this title in an amount equal to two thousand dollars per income tax year for each new business facility employee who is working within the enhanced rural enterprise zone, prorated according to the number of months such employee was employed by the taxpayer during the income tax year.

(b) FOR ANY INCOME TAX YEAR COMMENCING PRIOR TO JANUARY 1, 2014, in addition to the credit available under paragraph (a) of this subsection (1), a taxpayer qualified under said paragraph (a) shall be allowed for the first two full income tax years while located in an enterprise zone a credit in an amount equal to two hundred dollars for each new business facility employee who is insured under a health insurance plan or program provided through his or her employer. To be eligible for such credit, the employer must contribute fifty percent or more of the total cost of a health insurance plan or program, and such plan or program must be in accordance with the provisions of article 8 of title 10 or part 1, 2, 3, or 4 of article 16 of title 10, C.R.S., or be a self-insurance program and include partial or complete coverage for hospital and physician services.

(3)(a) FOR ANY INCOME TAX YEAR COMMENCING PRIOR TO JANUARY 1, 2014, any taxpayer who operates a business within an enterprise zone that adds value through manufacturing or processing to agricultural commodities shall be allowed in addition to the credit allowed under subsection (1) of this section, while located in the enterprise zone, a credit against the income tax imposed by article 22 of this title in an amount equal to five hundred dollars for each additional new business facility employee in excess of the maximum number employed in any prior tax year.

(b) For any income tax year commencing on or after January 1, 2003, BUT PRIOR TO JANUARY 1, 2014, any taxpayer who operates a business within an enhanced rural enterprise zone that adds value through

manufacturing or processing to agricultural commodities shall be allowed in addition to the credit allowed under paragraph (a) of this subsection (3) a credit against the income tax imposed by article 22 of this title in an amount equal to five hundred dollars for each additional new business facility employee in excess of the maximum number employed in any prior tax year.

(5) (a) (I) For taxable years beginning on or after January 1, 1993, BUT PRIOR TO JANUARY 1, 2014, if the total amount of the credits claimed by a taxpayer pursuant to the provisions of subparagraph (I) of paragraph (a) of subsection (1), paragraph (b) of subsection (1), and paragraph (a) of subsection (3) of this section exceeds the amount of income taxes due on the income of the taxpayer in the income tax year for which the credits are being claimed, the amount of the credits not used as an offset against income taxes in said income tax year shall not be allowed as a refund but may be carried forward as a credit against subsequent years' tax liability for a period not exceeding five years and shall be applied first to the earliest income tax years possible. Any amount of the credit that is not used during said period shall not be refundable to the taxpayer.

(II) For taxable years beginning on or after January 1, 2003, BUT PRIOR TO JANUARY 1, 2014, if the total amount of credits claimed by a taxpayer pursuant to subparagraph (III) of paragraph (a) of subsection (1) of this section and paragraph (b) of subsection (3) of this section exceeds the amount of income taxes due on the income of the taxpayer in the income tax year for which the credits are being claimed, the amount of credits not used as an offset against income taxes in said income tax year shall not be allowed as a refund but may be carried forward as a credit against subsequent years' tax liability for a period not exceeding seven years and shall be applied first to the earliest income tax years possible. Any amount of the credit which is not used during said period shall not be refundable to the taxpayer.

(b) (I) Subparagraph (I) of paragraph (a) of this subsection (5) is effective for income tax years commencing on or after January 1, 1993, BUT PRIOR TO JANUARY 1, 2014; except that application of subparagraph (I) of paragraph (a) of this subsection (5) to the credit described in paragraph (b) of subsection (1) of this section shall be effective for income tax years commencing on or after January 1, 1996, BUT PRIOR TO JANUARY 1, 2014.

(II) Subparagraph (II) of paragraph (a) of this subsection (5) is effective for income tax years commencing on or after January 1, 2003, BUT PRIOR TO JANUARY 1, 2014.

(7) As used in this section, unless the context otherwise requires:

(c) (III) If a facility that does not constitute a new business facility is expanded by the taxpayer, the expansion shall be considered a separate facility for purposes of the credit allowed by this section if:

(A) The expansion results in the employment of ten or more new business facility employees or, for income tax years commencing on or after January 1, 1996, BUT PRIOR TO JANUARY 1, 2014, a ten percent increase in the number of new business facility employees resulting in the employment of at least one full-time new business facility employee, whichever is less, during the taxable year over and above the average number of employees employed in the enterprise zone by the taxpayer during the twelve months immediately prior to the expansion, determined pursuant to subsection (6) of this section; and

(8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

SECTION 2. In Colorado Revised Statutes, **add** 39-30-105.1 as follows:

39-30-105.1. Credit for new enterprise zone business employees - definitions. (1) (a) (I) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, ANY TAXPAYER WHO OPERATES A BUSINESS FACILITY IN AN ENTERPRISE ZONE IS ALLOWED A CREDIT AGAINST THE INCOME TAX IMPOSED BY ARTICLE 22 OF THIS TITLE IN AN AMOUNT EQUAL TO FIVE HUNDRED DOLLARS PER INCOME TAX YEAR FOR EACH BUSINESS FACILITY EMPLOYEE, PURSUANT TO SUBSECTION (5) OF THIS SECTION, WHO IS WORKING WITHIN THE ZONE, PRORATED ACCORDING TO THE NUMBER OF MONTHS THE EMPLOYEE WAS EMPLOYED BY THE TAXPAYER DURING THE INCOME TAX YEAR. AN EMPLOYEE WHOSE PRIMARY DUTIES CONSIST OF OPERATING A COMMERCIAL MOTOR VEHICLE WITH A COMMERCIAL DRIVER'S LICENSE SHALL BE DEEMED TO BE WORKING ONE HUNDRED PERCENT WITHIN THE ZONE IF THE EMPLOYEE SPENDS NO MORE THAN FIVE PERCENT OF HIS OR HER TOTAL TIME AT ANY BUSINESS OF THE EMPLOYER OTHER THAN THE BUSINESS WITHIN THE ZONE.

(II) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, ANY TAXPAYER WHO OPERATES A BUSINESS FACILITY IN AN ENHANCED RURAL ENTERPRISE ZONE IS ALLOWED AN ADDITIONAL CREDIT AGAINST THE INCOME TAX IMPOSED BY ARTICLE 22 OF THIS TITLE IN AN AMOUNT EQUAL TO TWO THOUSAND DOLLARS PER INCOME TAX YEAR FOR EACH BUSINESS FACILITY EMPLOYEE WHO IS WORKING WITHIN THE ENHANCED RURAL ENTERPRISE ZONE, PRORATED ACCORDING TO THE NUMBER OF MONTHS SUCH EMPLOYEE WAS EMPLOYED BY THE TAXPAYER DURING THE INCOME TAX YEAR.

(III) A BUSINESS FACILITY QUALIFYING FOR THE CREDIT IS ALLOWED THE CREDIT FOR EACH SUBSEQUENT TAX YEAR FOR EACH BUSINESS FACILITY EMPLOYEE OVER THE NUMBER EMPLOYED IN ANY PRIOR TAX YEAR. ANY CREDIT IS ALLOWED FOR A MAXIMUM OF TWELVE CONSECUTIVE MONTHS FOR EACH BUSINESS FACILITY EMPLOYEE EMPLOYED BY THE TAXPAYER.

(b) IN ADDITION TO THE CREDIT AVAILABLE UNDER PARAGRAPH (a) OF THIS SUBSECTION (1), FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, A TAXPAYER QUALIFIED UNDER SAID PARAGRAPH (a) IS ALLOWED FOR THE FIRST TWO FULL INCOME TAX YEARS WHILE LOCATED IN AN ENTERPRISE ZONE A CREDIT IN AN AMOUNT EQUAL TO TWO HUNDRED DOLLARS FOR EACH BUSINESS FACILITY EMPLOYEE WHO IS INSURED UNDER A HEALTH INSURANCE PLAN OR PROGRAM PROVIDED THROUGH HIS OR HER EMPLOYER. TO BE ELIGIBLE FOR THE CREDIT, THE EMPLOYER MUST CONTRIBUTE FIFTY PERCENT OR MORE OF THE TOTAL COST OF A HEALTH INSURANCE PLAN OR PROGRAM, AND SUCH PLAN OR PROGRAM MUST BE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 8 OF TITLE 10 OR PART 1, 2, 3, OR 4 OF ARTICLE 16 OF TITLE 10, C.R.S., OR BE A SELF-INSURANCE PROGRAM AND INCLUDE PARTIAL OR COMPLETE COVERAGE FOR HOSPITAL AND PHYSICIAN SERVICES.

(2) FOR BUSINESS FACILITIES ESTABLISHED IN AN ENTERPRISE ZONE OR AN ENHANCED RURAL ENTERPRISE ZONE, THE NUMBER OF BUSINESS FACILITY EMPLOYEES ENGAGED OR MAINTAINED IN EMPLOYMENT AT THE BUSINESS FACILITY FOR EACH TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED MUST EQUAL OR EXCEED ONE PERSON.

(3) (a) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, ANY TAXPAYER WHO OPERATES A BUSINESS WITHIN AN ENTERPRISE ZONE THAT ADDS VALUE THROUGH MANUFACTURING OR

PROCESSING TO AGRICULTURAL COMMODITIES IS ALLOWED IN ADDITION TO THE CREDIT ALLOWED UNDER SUBSECTION (1) OF THIS SECTION, WHILE LOCATED IN THE ENTERPRISE ZONE, A CREDIT AGAINST THE INCOME TAX IMPOSED BY ARTICLE 22 OF THIS TITLE IN AN AMOUNT EQUAL TO FIVE HUNDRED DOLLARS FOR EACH ADDITIONAL BUSINESS FACILITY EMPLOYEE IN EXCESS OF THE MAXIMUM NUMBER EMPLOYED IN ANY PRIOR TAX YEAR.

(b) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, ANY TAXPAYER WHO OPERATES A BUSINESS WITHIN AN ENHANCED RURAL ENTERPRISE ZONE THAT ADDS VALUE THROUGH MANUFACTURING OR PROCESSING TO AGRICULTURAL COMMODITIES IS ALLOWED IN ADDITION TO THE CREDIT ALLOWED UNDER PARAGRAPH (a) OF THIS SUBSECTION (3) A CREDIT AGAINST THE INCOME TAX IMPOSED BY ARTICLE 22 OF THIS TITLE IN AN AMOUNT EQUAL TO FIVE HUNDRED DOLLARS FOR EACH ADDITIONAL BUSINESS FACILITY EMPLOYEE IN EXCESS OF THE MAXIMUM NUMBER EMPLOYED IN ANY PRIOR TAX YEAR.

(4) (a) (I) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, IF THE TOTAL AMOUNT OF THE CREDITS CLAIMED BY A TAXPAYER PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (1), PARAGRAPH (b) OF SUBSECTION (1), AND PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES DUE ON THE INCOME OF THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE CREDITS ARE BEING CLAIMED, THE AMOUNT OF THE CREDITS NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR IS NOT ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' TAX LIABILITY FOR A PERIOD NOT EXCEEDING FIVE YEARS AND IS APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED DURING SAID PERIOD IS NOT REFUNDABLE TO THE TAXPAYER.

(II) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, IF THE TOTAL AMOUNT OF CREDITS CLAIMED BY A TAXPAYER PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION AND PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES DUE ON THE INCOME OF THE TAXPAYER IN THE INCOME TAX YEAR FOR WHICH THE CREDITS ARE BEING CLAIMED, THE AMOUNT OF CREDITS NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR IS NOT ALLOWED AS A REFUND BUT MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' TAX

LIABILITY FOR A PERIOD NOT EXCEEDING SEVEN YEARS AND IS APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED DURING SAID PERIOD IS NOT REFUNDABLE TO THE TAXPAYER.

(b) FOR PURPOSES OF THIS SECTION, A PARTNERSHIP, S CORPORATION, LIMITED LIABILITY COMPANY, OR OTHER ENTITY ELECTING NOT TO BE TAXED AS A CORPORATION MAY PASS THROUGH THE CREDITS EARNED UNDER THIS SECTION IN ANY TAX YEAR TO ITS PARTICIPATING PARTNERS, SHAREHOLDERS, OR MEMBERS, HEREINAFTER REFERRED TO AS THE "INVESTORS" OF THE ENTITY, IN ANY PERCENTAGE THE ENTITY CHOOSES, UP TO THE AMOUNT OF THE CREDIT EARNED IN THE TAX YEAR. CREDITS EARNED BUT UNCLAIMED IN A TAX YEAR FOR WHICH THE ENTITY ELECTS TO BE TAXED AS A CORPORATION MAY NOT BE DISTRIBUTED TO INVESTORS IN A LATER TAX YEAR FOR WHICH THE ENTITY ELECTS NOT TO BE TAXED AS A CORPORATION. IN ANY TAX YEAR FOR WHICH THE ENTITY ELECTS NOT TO BE TAXED AS A CORPORATION, ALL CREDITS PASSED THROUGH TO INVESTORS MAY BE CARRIED FORWARD AT THE INVESTOR LEVEL FOR THE CARRYOVER PERIODS SPECIFIED IN THIS SECTION.

(c) FOR PURPOSES OF THIS SECTION, A TAXPAYER MAY ONLY CLAIM THE BUSINESS FACILITY EMPLOYEE CREDIT FOR EMPLOYEES FOR WHOM:

(I) THE TAXPAYER WITHHOLDS SOCIAL SECURITY, MEDICARE, AND INCOME TAXES UNDER THE TAXPAYER'S OWN FEDERAL AND STATE TAXPAYER IDENTIFICATION NUMBERS; OR

(II) THE TAXPAYER IS THE WORK-SITE EMPLOYER, AS DEFINED IN SECTION 8-70-114 (2) (a) (VII), C.R.S., AND AN EMPLOYEE LEASING COMPANY, AS DEFINED IN SECTION 8-70-114 (2) (a) (V), C.R.S., AS THE EMPLOYING UNIT FOR, OR COEMPLOYER WITH, THE TAXPAYER, AND WITHHOLDS SOCIAL SECURITY, MEDICARE, AND INCOME TAXES UNDER THE EMPLOYEE LEASING COMPANY'S OWN FEDERAL AND STATE TAXPAYER IDENTIFICATION NUMBERS.

(5)(a) THE NUMBER OF BUSINESS FACILITY EMPLOYEES DURING ANY TAXABLE YEAR IS DETERMINED BY DIVIDING BY TWELVE THE SUM OF THE NUMBER OF BUSINESS FACILITY EMPLOYEES ON THE LAST BUSINESS DAY OF EACH MONTH OF SUCH TAXABLE YEAR. IF THE BUSINESS FACILITY IS IN OPERATION FOR LESS THAN THE ENTIRE TAXABLE YEAR, THE NUMBER OF

BUSINESS FACILITY EMPLOYEES IS DETERMINED BY DIVIDING THE SUM OF THE NUMBER OF BUSINESS FACILITY EMPLOYEES ON THE LAST BUSINESS DAY OF EACH FULL CALENDAR MONTH DURING THE PORTION OF THE TAXABLE YEAR DURING WHICH THE BUSINESS FACILITY WAS IN OPERATION BY THE NUMBER OF FULL CALENDAR MONTHS DURING THE PERIOD.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (5), FOR THE PURPOSE OF DETERMINING THE CREDIT ALLOWED BY THIS SECTION IN THE CASE OF A FACILITY THAT QUALIFIES AS A BUSINESS FACILITY BUT IS A REPLACEMENT BUSINESS FACILITY, THE NUMBER OF BUSINESS FACILITY EMPLOYEES EMPLOYED IN THE OPERATION OF THE FACILITY IS REDUCED BY THE AVERAGE NUMBER, DETERMINED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (5), OF INDIVIDUALS EMPLOYED IN THE OPERATION OF THE FACILITY THAT THE BUSINESS FACILITY REPLACES DURING THE THREE TAXABLE YEARS PRECEDING THE TAXABLE YEAR IN WHICH COMMENCEMENT OF COMMERCIAL OPERATIONS OCCURS AT THE BUSINESS FACILITY.

(6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BUILDING" MEANS ONLY STRUCTURES WITHIN WHICH INDIVIDUALS ARE CUSTOMARILY EMPLOYED OR THAT ARE CUSTOMARILY USED TO HOUSE MACHINERY, EQUIPMENT, OR OTHER PROPERTY.

(b) "BUSINESS FACILITY" MEANS A FACILITY THAT IS OPERATED BY THE TAXPAYER IN THE OPERATION OF A REVENUE-PRODUCING ENTERPRISE. A FACILITY IS NOT CONSIDERED A BUSINESS FACILITY IN THE HANDS OF THE TAXPAYER IF THE TAXPAYER'S ONLY ACTIVITY WITH RESPECT TO THE FACILITY IS TO LEASE IT TO ANOTHER PERSON. IF THE TAXPAYER OPERATES ONLY A PORTION OF THE FACILITY IN THE OPERATION OF A REVENUE-PRODUCING ENTERPRISE AND LEASES ANOTHER PORTION OF THE FACILITY TO ANOTHER PERSON OR DOES NOT OTHERWISE USE THE OTHER PORTIONS IN THE OPERATION OF A REVENUE-PRODUCING ENTERPRISE, THE PORTION OPERATED BY THE TAXPAYER IN THE OPERATION OF A REVENUE-PRODUCING ENTERPRISE IS CONSIDERED A BUSINESS FACILITY.

(c) "BUSINESS FACILITY EMPLOYEE" MEANS A PERSON EMPLOYED BY THE TAXPAYER IN THE OPERATION OF A BUSINESS FACILITY DURING THE TAXABLE YEAR FOR WHICH THE CREDIT ALLOWED BY THIS SECTION IS

CLAIMED. A PERSON IS DEEMED AN EMPLOYEE IF THE PERSON PERFORMS DUTIES IN CONNECTION WITH THE OPERATION OF THE BUSINESS FACILITY ON:

(I) A REGULAR, FULL-TIME BASIS;

(II) A PART-TIME BASIS IF THE PERSON IS CUSTOMARILY PERFORMING HIS OR HER DUTIES AT LEAST TWENTY HOURS PER WEEK THROUGHOUT THE TAXABLE YEAR; OR

(III) A SEASONAL BASIS IF THE PERSON PERFORMS HIS OR HER DUTIES FOR SUBSTANTIALLY ALL OF THE SEASON CUSTOMARY FOR THE POSITION IN WHICH THE PERSON IS EMPLOYED.

(d) "COMMENCEMENT OF COMMERCIAL OPERATIONS" MEANS THE FIRST TAXABLE YEAR THAT THE BUSINESS FACILITY IS FIRST AVAILABLE FOR USE BY THE TAXPAYER, OR FIRST CAPABLE OF BEING USED BY THE TAXPAYER, IN THE REVENUE-PRODUCING ENTERPRISE IN WHICH THE TAXPAYER INTENDS TO USE THE BUSINESS FACILITY.

(e) "FACILITY" MEANS ANY FACTORY, MILL, PLANT, REFINERY, WAREHOUSE, FEEDLOT, BUILDING, OR COMPLEX OF BUILDINGS LOCATED WITHIN THE STATE, INCLUDING THE LAND ON WHICH THE FACILITY IS LOCATED AND ALL MACHINERY, EQUIPMENT, AND OTHER REAL AND TANGIBLE PERSONAL PROPERTY LOCATED AT OR WITHIN THE FACILITY AND USED IN CONNECTION WITH THE OPERATION OF THE FACILITY.

(f) "REVENUE-PRODUCING ENTERPRISE" MEANS AN ENTERPRISE THAT ENGAGES IN THE FOLLOWING:

(I) THE PRODUCTION, ASSEMBLY, FABRICATION, MANUFACTURING, OR PROCESSING OF ANY AGRICULTURAL, MINERAL, OR MANUFACTURED PRODUCT;

(II) THE STORAGE, WAREHOUSING, DISTRIBUTION, OR SALE OF ANY PRODUCTS OF AGRICULTURE, MINING, OR MANUFACTURING;

(III) THE FEEDING OF LIVESTOCK AT A FEEDLOT;

(IV) THE OPERATION OF LABORATORIES OR OTHER FACILITIES FOR SCIENTIFIC, AGRICULTURAL, ANIMAL HUSBANDRY, OR INDUSTRIAL

RESEARCH, DEVELOPMENT, OR TESTING;

(V) THE PERFORMANCE OF SERVICES OF ANY TYPE;

(VI) THE ADMINISTRATIVE MANAGEMENT OF ANY OF THE ACTIVITIES LISTED IN SUBPARAGRAPHS (I) TO (V) OF THIS PARAGRAPH (f); OR

(VII) ANY COMBINATION OF ANY OF THE ACTIVITIES REFERRED TO IN SUBPARAGRAPHS (I) TO (VI) OF THIS PARAGRAPH (f).

SECTION 3. In Colorado Revised Statutes, 39-30-105.1, **amend as added by House Bill 13-1265** (1) (a) (I) and (1) (b) as follows:

39-30-105.1. Credit for new enterprise zone business employees - definitions. (1) (a) (I) For any income tax year commencing on or after January 1, 2014, any taxpayer who operates a business facility in an enterprise zone is allowed a credit against the income tax imposed by article 22 of this title in an amount equal to ~~five~~ ONE THOUSAND ONE hundred dollars per income tax year for each business facility employee, pursuant to subsection (5) of this section, who is working within the zone, prorated according to the number of months the employee was employed by the taxpayer during the income tax year. An employee whose primary duties consist of operating a commercial motor vehicle with a commercial driver's license shall be deemed to be working one hundred percent within the zone if the employee spends no more than five percent of his or her total time at any business of the employer other than the business within the zone.

(b) In addition to the credit available under paragraph (a) of this subsection (1), for any income tax year commencing on or after January 1, 2014, a taxpayer qualified under said paragraph (a) is allowed for the first two full income tax years while located in an enterprise zone a credit in an amount equal to ~~two hundred~~ ONE THOUSAND dollars for each business facility employee who is insured under a health insurance plan or program provided through his or her employer. To be eligible for the credit, the employer must contribute fifty percent or more of the total cost of a health insurance plan or program, and such plan or program must be in accordance with the provisions of article 8 of title 10 or part 1, 2, 3, or 4 of article 16 of title 10, C.R.S., or be a self-insurance program and include partial or complete coverage for hospital and physician services.

SECTION 4. Effective date. This act takes effect upon passage; except that section 3 of this act takes effect only if House Bill 13-1142 becomes law and takes effect either upon the effective date of this act or House Bill 13-1142, whichever is later.

SECTION 5. 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.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

John P. Morse
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO