

CHAPTER 300

TAXATION

HOUSE BILL 16-1286

BY REPRESENTATIVE(S) Becker K., Singer, Vigil, Arndt, Carver, Duran, Fields, Ginal, Hamner, Lebsack, Lee, Melton, Mitsch Bush, Priola, Salazar, Winter, Hullinghorst;
also SENATOR(S) Tate, Baumgardner, Crowder, Heath, Holbert.

AN ACT

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

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

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

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

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

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

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

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

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

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - definitions - repeal. (4) There shall be subtracted from federal taxable income:

(n.5) (I) (A) For income tax years commencing on or after January 1, 2014, but prior to ~~January 1, 2025~~ JANUARY 1, 2017, AND FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2025, an amount equal to fifty percent of a landowner's costs incurred in performing wildfire mitigation measures in that income tax year on his or her property located within the state; except that the amount of the deduction claimed in an income tax year shall not exceed two thousand five hundred dollars or the total amount of the landowner's federal taxable income for the income tax year for which the deduction is claimed, whichever is less.

(A.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2020, AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF A LANDOWNER'S COSTS INCURRED IN PERFORMING WILDFIRE MITIGATION MEASURES IN THAT INCOME TAX YEAR ON HIS OR HER PROPERTY LOCATED WITHIN THE STATE; EXCEPT THAT THE AMOUNT OF THE DEDUCTION CLAIMED IN AN INCOME TAX YEAR SHALL NOT EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS OR THE TOTAL AMOUNT OF THE LANDOWNER'S FEDERAL TAXABLE INCOME FOR THE INCOME TAX YEAR FOR WHICH THE DEDUCTION IS CLAIMED, WHICHEVER IS LESS.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 10, 2016