

CHAPTER 231

TAXATION

HOUSE BILL 22-1051

BY REPRESENTATIVE(S) Bird and McKean, Bacon, Bennett, Boesenecker, Exum, Herod, Kipp, Lindsay, Lontine, McCluskie, Michaelson Jenet, Ricks, Roberts, Snyder, Titone, Valdez D., Garnett; also SENATOR(S) Zenzinger and Hisey, Bridges, Buckner, Coleman, Cooke, Danielson, Donovan, Fields, Gonzales, Hansen, Hinrichsen, Holbert, Jaquez Lewis, Kolker, Lee, Liston, Moreno, Pettersen, Rodriguez, Scott, Simpson, Story, Winter, Woodward, Fenberg.

AN ACT

CONCERNING MODIFICATION OF THE COLORADO AFFORDABLE HOUSING TAX CREDIT, AND, IN CONNECTION THEREWITH, EXTENDING THE TIME DURING WHICH THE CREDIT MAY BE CLAIMED AND INCREASING THE YEARLY AMOUNT OF CREDITS THAT CAN BE ALLOCATED.

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

SECTION 1. In Colorado Revised Statutes, 39-22-2102, **amend** (2)(d), (7) introductory portion, and (7)(a.5); and **add** (9) as follows:

39-22-2102. Credit against tax - affordable housing developments - legislative declaration. (2) The authority may allocate a credit to an owner of a qualified development by issuing to the owner an allocation certificate. The authority may determine the time at which such allocation certificate is issued. The credit shall be in an amount determined by the authority, subject to the following guidelines:

(d) The aggregate sum of credits allocated annually shall not exceed the limits set forth in subsection (7) of this section, ~~except for credits allocated in 2015 and 2016 for qualified developments that are located in a county that is designated by the qualified allocation plan as having been impacted by a natural disaster~~ CREDITS ALLOCATED FOR QUALIFIED DEVELOPMENTS THAT ARE LOCATED IN A COUNTY THAT IS DESIGNATED BY THE QUALIFIED ALLOCATION PLAN HAVING BEEN IMPACTED BY A FEDERALLY DECLARED DISASTER AND SOLELY FOR THE PURPOSES OF LEVERAGING STATE AND FEDERALLY NATURAL DISASTER FUNDS APPROPRIATED FOR SUCH RECOVERY EFFORTS.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(7) During each calendar year of the period beginning January 1, 2015, and ending ~~December 31, 2024~~ DECEMBER 31, 2031, the authority may allocate a credit, the full amount of which may be claimed against the taxes imposed by this article 22 for each taxable year of the six-year credit period. The aggregate amount of all credits allocated by the authority in each calendar year of the period beginning January 1, 2015, and ending ~~December 31, 2024~~ DECEMBER 31, 2031, shall not exceed the amount of:

(a.5) Ten million dollars for credits allocated annually beginning on January 1, 2020, and ending on ~~December 31, 2024~~ DECEMBER 31, 2031, pursuant to subsection (1) of this section and section 39-22-2105 combined;

(9) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE OR EXTENDS AN EXPIRING TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE GENERAL LEGISLATIVE PURPOSES OF THE INCOME TAX CREDIT ALLOWED BY THIS SECTION ARE:

(I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS; AND

(II) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS;

(b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE INCOME TAX CREDIT ALLOWED BY THIS SECTION IS TO ADDRESS THE SHORTAGE OF AFFORDABLE HOUSING IN THE STATE AND INCREASE ACCESS TO AFFORDABLE HOUSING BY ENCOURAGING DEVELOPERS TO BUILD UNITS SPECIFICALLY RESTRICTED FOR RESIDENTS WITH INCOMES BELOW THE AREA MEDIAN INCOME AND ALSO TO ENCOURAGE PRIVATE SECTOR INVESTMENT INTO THE DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING; AND

(c) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTIONS (9)(a) AND (9)(b) OF THIS SECTION, THE COLORADO HOUSING AND FINANCE AUTHORITY IS REQUIRED TO PROVIDE THE ANNUAL REPORT DETAILED IN SECTION 39-22-2108 TO THE GENERAL ASSEMBLY AND THE COLORADO STATE AUDITOR.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: May 26, 2022