

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0398.04 Alison Killen x4350

HOUSE BILL 23-1260

HOUSE SPONSORSHIP

Soper and Valdez, Woodrow

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Baisley and Priola,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TAX INCENTIVES TO MAXIMIZE INVESTMENTS IN**
102 **SEMICONDUCTOR AND ADVANCED MANUFACTURING IN**
103 **COLORADO, AND, IN CONNECTION THEREWITH, AUTHORIZING**
104 **THE ECONOMIC DEVELOPMENT COMMISSION TO APPROVE**
105 **REFUND CERTIFICATES FOR CERTAIN INCOME TAX CREDITS,**
106 **CREATING A SEMICONDUCTOR MANUFACTURING ZONE**
107 **PROGRAM, MODIFYING THE COLORADO JOB GROWTH INCENTIVE**
108 **TAX CREDIT FOR SEMICONDUCTOR AND ADVANCED**
109 **MANUFACTURING, AND CREATING AN ADVANCED INDUSTRIES**
110 **TASK FORCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

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://leg.colorado.gov>.)

The bill creates new and modifies existing state tax incentives to maximize federal government funding for taxpayers engaged in semiconductor and advanced manufacturing in Colorado. **Section 1** of the bill creates a refund mechanism, available from fiscal year 2023-24 through fiscal year 2028-29, that allows a taxpayer engaged in semiconductor or advanced manufacturing to apply for conditional approval of one or more types of income tax credits based on a specified project in the state and includes the maximum amount of credit for which the taxpayer may claim a refund of 80% . The income tax credit types that may be the basis for such a refund are:

- The three enterprise zone credits for qualified investments, business facility employees, and expenditures for research and experimental activities;
- The Colorado job growth incentive income tax credit; and
- Three semiconductor manufacturing zone (CHIPS zone) credits for qualified investments, business facility employees, and expenditures for research and experimental activities, which zones are created in **Section 5**.

Semiconductor and advanced manufacturers must apply to the Colorado economic development commission (commission) for a refund certificate approving their project and setting the maximum amount of income tax credits that the manufacturer may claim as a refund in connection with the project. Approved projects must timely commence and credits must be earned within twelve years of approval by the commission. In reviewing applications, the commission must prioritize taxpayers engaged in semiconductor or advanced manufacturing that have received or applied to receive matching funds under the "American Rescue Plan Act of 2021", the "Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022" (CHIPS Act), or other similar federal legislation.

The total amount of all refund certificates approved by the commission cannot exceed \$15 million per fiscal year; except that, if less than \$15 million is approved at the end of any fiscal year, the remaining amount is available for approval in the next fiscal year. The total amount of all refund certificates approved by the commission for all fiscal years from July 1, 2023, through June 30, 2029, cannot exceed \$75 million.

Section 2 creates, within the office of economic development (office), a temporary task force comprised of state legislators, representatives of the office, and citizens with industry experience to study the effectiveness of financial incentives and other resources intended to attract and promote the development of advanced

manufacturing and other science, technology, engineering, or math (STEM) companies in Colorado during the 2023 legislative interim. The task force is required to report its findings to the general assembly and the governor by a specified date.

Sections 3 through 5 amend the enterprise zone income tax credits for qualified investments, business facility employees, and research and experimental activities to incorporate the refund mechanism created in section 1.

Section 6 creates the CHIPS zone tax credit program. Similar to the enterprise zone tax credit program, a local government may propose an area for designation as a CHIPS zone, which designation may promote the local economy through incentivizing businesses to locate in the area. A taxpayer located in a CHIPS zone may be eligible to claim an income tax credit under existing enterprise zone statutes for the taxpayer's qualified investments, business facility employees, or research and experimental activities. However, the tax benefits of CHIPS zones are only available to taxpayers engaged in semiconductor manufacturing, as that term is defined under the CHIPS Act.

All CHIPS zone tax credits must be precertified by the CHIPS zone administrator. All such credits may be used to offset a taxpayer's liability or carried forward for a period not to exceed 12 years. Or, if the credits are included in a refund certificate approved by the commission pursuant to section 1, they may be used to claim a refund of 80% of the total amount of the credits.

CHIPS zones may be modified or terminated in the discretion of the commission between income tax years 2023 and 2040; however, all CHIPS zones will terminate as a matter of law on December 31, 2040.

Section 7 modifies the Colorado job growth incentive tax credit to provide for an award of credit to taxpayers engaged in an advanced manufacturing or semiconductor manufacturing project that brings a net job growth of a least 20 jobs with an average yearly wage of at least 75% of the average yearly wage of the county in which the taxpayer is located. Such taxpayers are the only subset of recipients of the Colorado job growth incentive tax credit that may pursue a refund in accordance with section 1.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-46-108 as
3 follows:

4 **24-46-108. Refundable income tax credits for certain**
5 **businesses located in the state - definitions - repeal.** (1) AS USED IN

1 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (a) "ADVANCED MANUFACTURING" MEANS THE USE OF
3 INNOVATIVE TECHNOLOGIES AND PROCESSES TO ENHANCE EXISTING AND
4 CREATE NEW PRODUCTS, INCLUDING, BUT NOT LIMITED TO, PRODUCTION
5 ACTIVITIES THAT DEPEND ON AUTOMATION, COMPUTATION, ENHANCED
6 PROTOTYPING, LASERS, NETWORKING, ROBOTICS, SENSING, SIMULATION,
7 AND SOFTWARE, AND OTHER SIMILAR ACTIVITIES AS MAY BE DETERMINED
8 BY THE COMMISSION, IN THIS STATE.

9 (b) "ARPA" MEANS THE FEDERAL "AMERICAN RESCUE PLAN ACT
10 OF 2021", PUB.L. 117-2, AS AMENDED.

11 (c) "CHIPS ACT" MEANS THE FEDERAL "CREATING HELPFUL
12 INCENTIVES TO PRODUCE SEMICONDUCTORS AND SCIENCE ACT OF 2022",
13 PUB.L. 117-167, AS AMENDED.

14 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

15 (e) "INCOME TAX CREDIT" MEANS AN INCOME TAX CREDIT
16 ALLOWED TO A TAXPAYER UNDER SECTION 39-30-104, 39-30-105.1,
17 39-30-105.5, OR 39-22-531 (2) AND (3)(a)(I)(D).

18 (f) "INVESTOR" MEANS A PARTNER, SHAREHOLDER, OR MEMBER OF
19 A TAX PAYER THAT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S
20 CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY.

21 (g) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
22 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

23 (h) "PROJECT" MEANS A TAXPAYER'S ADVANCED MANUFACTURING
24 OR SEMICONDUCTOR MANUFACTURING BUSINESS ACTIVITIES.

25 (i) "REFUND CERTIFICATE" MEANS A WRITTEN, CONDITIONAL
26 APPROVAL BY THE COMMISSION THAT IS ASSOCIATED WITH A TAXPAYER'S
27 APPROVED PROJECT AND THAT SETS FORTH THE MAXIMUM AMOUNT OF

1 INCOME TAX CREDITS THAT THE TAXPAYER MAY CLAIM AS A REFUND IN
2 ACCORDANCE WITH THIS SECTION.

3 (j) (I) "SEMICONDUCTOR MANUFACTURING" MEANS THE
4 FABRICATION, ASSEMBLY, TESTING, ADVANCED PACKAGING, PRODUCTION,
5 OR RESEARCH AND DEVELOPMENT OF SEMICONDUCTORS, MATERIALS USED
6 TO MANUFACTURE OR ENHANCE SEMICONDUCTORS, OR SEMICONDUCTOR
7 MANUFACTURING EQUIPMENT IN THIS STATE FOR WHICH A TAXPAYER MAY
8 RECEIVE FEDERAL FINANCIAL ASSISTANCE UNDER THE CHIPS ACT.

9 (II) THE DEFINITION OF "SEMICONDUCTOR MANUFACTURING" FOR
10 PURPOSES OF THIS SECTION MAY BE MODIFIED OR EXPANDED BY THE
11 COMMISSION, INCLUDING TO REFLECT ANY DIFFERENCES BETWEEN THE
12 DEFINITION IN SUBSECTION (1)(j)(I) OF THIS SECTION AND THE DEFINITION
13 OF "SEMICONDUCTOR MANUFACTURING" THAT MAY BE USED BY THE
14 UNITED STATES DEPARTMENT OF COMMERCE IN IMPLEMENTING THE
15 CHIPS ACT.

16 (k) "TAXPAYER" MEANS A PERSON ENGAGED IN ADVANCED
17 MANUFACTURING OR SEMICONDUCTOR MANUFACTURING THAT IS SUBJECT
18 TO TAX UNDER ARTICLE 22 OF TITLE 39.

19 (2) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION
20 (2)(b) OF THIS SECTION, FOR STATE FISCAL YEARS 2023-24 THROUGH
21 2028-29, THE COMMISSION MAY APPROVE AND ISSUE A REFUND
22 CERTIFICATE IF THE APPLICANT DEMONSTRATES THAT THE APPLICANT IS
23 A TAXPAYER THAT IS ENGAGED IN OR WILL ENGAGE IN A PROJECT ELIGIBLE
24 FOR AN INCOME TAX CREDIT. SUBJECT TO THE CONDITIONS IN SUBSECTION
25 (7) OF THIS SECTION AND ANY OTHER CONDITIONS ESTABLISHED BY THE
26 COMMISSION, A TAXPAYER THAT HOLDS A REFUND CERTIFICATE MAY
27 CLAIM A REFUND OF EIGHTY PERCENT OF THE INCOME TAX CREDIT TYPES

1 LISTED ON THE REFUND CERTIFICATE THAT ARE EARNED BY THE TAXPAYER
2 DURING THE TWELVE YEARS FOLLOWING THE COMMISSION'S APPROVAL
3 AND ARE NOT USED TO OFFSET THE TAXPAYER'S STATE INCOME TAXES DUE.
4 THE LIMITATIONS ON THE AMOUNT OF CREDIT ALLOWED PER INCOME TAX
5 YEAR SET FORTH IN SECTIONS 39-30-104 (2)(c) AND 39-30-105.5 (2) DO
6 NOT APPLY TO INCOME TAX CREDITS REFUNDED UNDER THIS SECTION.
7 REFUNDS OF THE INCOME TAX CREDITS CLAIMED PURSUANT TO THIS
8 SECTION ARE A REDUCTION IN TAX REVENUE.

9 (b) THE COMMISSION SHALL APPROVE REFUND CERTIFICATES
10 PURSUANT TO THIS SECTION SUBJECT TO THE FOLLOWING LIMITATIONS:

11 (I) THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS FOR
12 WHICH THE COMMISSION MAY APPROVE REFUND TAX CREDIT CERTIFICATES
13 FOR ALL TAXPAYERS IS FIFTEEN MILLION DOLLARS PER FISCAL YEAR;
14 EXCEPT THAT, IF THE COMMISSION APPROVES REFUND CERTIFICATES FOR
15 LESS THAN FIFTEEN MILLION DOLLARS OF INCOME TAX CREDITS DURING
16 ANY FISCAL YEAR, THE REMAINING AUTHORIZED BUT UNENCUMBERED
17 AMOUNT OF INCOME TAX CREDITS IS ADDED TO THE MAXIMUM AMOUNT OF
18 INCOME TAX CREDITS FOR WHICH THE COMMISSION MAY APPROVE REFUND
19 CERTIFICATES DURING THE NEXT FISCAL YEAR;

20 (II) THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS FOR
21 WHICH THE COMMISSION MAY APPROVE REFUND CERTIFICATES FOR ALL
22 TAXPAYERS FOR ALL FISCAL YEARS FROM JULY 1, 2023, THROUGH JUNE
23 30, 2028, IS SEVENTY-FIVE MILLION DOLLARS; EXCEPT THAT, IF THE
24 COMMISSION HAS APPROVED REFUND CERTIFICATES FOR LESS THAN
25 SEVENTY-FIVE MILLION DOLLARS OF INCOME TAX CREDITS ON JUNE 30,
26 2028, THE COMMISSION MAY APPROVE REFUND CERTIFICATES FOR NEW
27 AND EXISTING APPLICANTS EQUAL TO THE REMAINING AMOUNT THROUGH

1 THE FISCAL YEAR ENDING JUNE 30, 2029; AND

2 (III) COMPLIANCE WITH THE LIMITATIONS SET FORTH IN THIS
3 SUBSECTION (2)(b) SHALL BE CALCULATED BASED ON THE TOTAL AMOUNT
4 OF THE INCOME TAX CREDITS INCLUDED IN THE REFUND CERTIFICATES AND
5 NOT EIGHTY PERCENT OF SUCH AMOUNT.

6 (c) (I) A TAXPAYER THAT RECEIVES A REFUND CERTIFICATE SHALL
7 NOTIFY THE COMMISSION PROMPTLY IF THE PROJECT INCLUDED IN THE
8 CERTIFICATE IS CANCELED, MODIFIED, OR OTHERWISE BECOMES INELIGIBLE
9 FOR THE ESTIMATED CREDIT, IN WHICH CASE THE REFUND CERTIFICATE
10 MAY BE CANCELED OR MODIFIED.

11 (II) A REFUND CERTIFICATE MAY BE REVOKED OR MODIFIED IF A
12 TAXPAYER THAT RECEIVES A REFUND CERTIFICATE DOES NOT COMMENCE
13 THE PROJECT APPROVED THEREIN WITHIN TWO YEARS OF THE
14 COMMISSION'S APPROVAL OF THE REFUND CERTIFICATE OR OTHERWISE
15 FAILS TO MEET THE TERMS OF THE REFUND CERTIFICATE.

16 (III) NOTWITHSTANDING THE LIMITATIONS IN SUBSECTION (2)(b)
17 OF THIS SECTION, IF A TAXPAYER'S REFUND CERTIFICATE IS CANCELED OR
18 MODIFIED PURSUANT TO SUBSECTION (2)(c)(I) OF THIS SECTION OR
19 REVOKED OR MODIFIED PURSUANT TO (2)(c)(II) OF THIS SECTION, THE
20 AMOUNT OF THE CANCELED, REVOKED, OR MODIFIED INCOME TAX CREDITS
21 SHALL BE AVAILABLE TO THE COMMISSION TO USE IN APPROVING OTHER
22 TAXPAYERS' APPLICATIONS FOR A REFUND CERTIFICATE.

23 (3) A TAXPAYER MUST APPLY TO THE COMMISSION FOR A REFUND
24 CERTIFICATE ALLOWED UNDER SUBSECTION (2)(a) OF THIS SECTION IN
25 ACCORDANCE WITH DEADLINES, POLICIES, AND PROCEDURES ESTABLISHED
26 BY THE OFFICE, IN CONSULTATION WITH THE COMMISSION, AS FOLLOWS:

27 (a) A TAXPAYER MUST SUBMIT AN APPLICATION INCLUDING ALL

1 INFORMATION AND DOCUMENTATION REQUIRED FOR A PENDING PROJECT
2 UNDER THIS SUBSECTION (3) TO THE COMMISSION PRIOR TO OBTAINING
3 PRECERTIFICATION OF ANY INCOME TAX CREDIT FOR THE PROJECT
4 PURSUANT TO SECTION 39-30-103 (7) OR 39-36-104 (5)(a) OR ON OR
5 BEFORE THE FIRST DAY OF THE TAXPAYER'S CREDIT PERIOD UNDER
6 SECTION 39-22-531 (1)(d)(II), AS APPLICABLE; AND

7 (b) AN APPLICATION FOR A REFUND CERTIFICATE MUST BE
8 SUBMITTED IN A FORM PRESCRIBED BY THE OFFICE AND MUST INCLUDE:

9 (I) EACH INCOME TAX CREDIT TYPE FOR WHICH THE TAXPAYER
10 INTENDS TO REQUEST A REFUND;

11 (II) A DESCRIPTION OF THE PROJECT THAT WILL SUPPORT EACH
12 INCOME TAX CREDIT TYPE, INCLUDING:

13 (A) THE LOCATION OF THE PROJECT;

14 (B) THE INVESTMENT TO BE MADE FOR THE PROJECT;

15 (C) THE JOBS TO BE CREATED BY THE PROJECT; AND

16 (D) THE ANTICIPATED TOTAL AMOUNT OF INCOME TAX CREDITS TO
17 BE GENERATED BY THE PROJECT.

18 (III) IDENTIFICATION OF THE TYPE AND ESTIMATED OR ACTUAL
19 AMOUNT OF ANY ADDITIONAL INCOME TAX CREDITS OR OTHER FINANCIAL
20 ASSISTANCE FROM ANY FEDERAL, STATE, OR LOCAL GOVERNMENT AGENCY
21 RECEIVED, APPLIED FOR, OR INTENDED TO BE APPLIED FOR BY THE
22 TAXPAYER RELATED TO THE SAME PROJECT; AND

23 (IV) ANY OTHER INFORMATION THE OFFICE OR THE COMMISSION
24 MAY REASONABLY REQUIRE FOR EVALUATION OF THE TAXPAYER'S
25 APPLICATION FOR A REFUND CERTIFICATE.

26 (c) NOTHING IN SUBSECTION (3)(b) OF THIS SECTION REQUIRES THE
27 DISCLOSURE TO THE PUBLIC OF ANY INFORMATION THAT REVEALS THE

1 AMOUNT OF COMPENSATION PAID TO ANY INDIVIDUAL EMPLOYEE OF A
2 BUSINESS, ANY COLORADO INCOME TAX RETURN, ANY INFORMATION
3 REGARDING EXPENDITURES ON RESEARCH AND DEVELOPMENT, OR OTHER
4 PROPRIETARY INFORMATION OF A BUSINESS INCLUDED IN A TAXPAYER'S
5 APPLICATION.

6 (4) IN REVIEWING APPLICATIONS SUBMITTED PURSUANT TO
7 SUBSECTION (3)(b) OF THIS SECTION, THE COMMISSION SHALL PRIORITIZE
8 APPLICATIONS DEEMED ELIGIBLE FOR A REFUND CERTIFICATE AS FOLLOWS:

9 (a) FOR FISCAL YEARS 2023-24 AND 2024-25, THE COMMISSION
10 SHALL GIVE HIGHEST PRIORITY TO TAXPAYERS ENGAGED IN
11 SEMICONDUCTOR MANUFACTURING THAT HAVE RECEIVED OR ARE
12 EXPECTED TO RECEIVE MATCHING MONEY UNDER ARPA, THE CHIPS ACT,
13 OR OTHER FEDERAL LEGISLATION THAT PROVIDES INCENTIVES FOR
14 SEMICONDUCTOR MANUFACTURING; AND

15 (b) FOR FISCAL YEARS 2025-26 THROUGH 2028-29, THE
16 COMMISSION SHALL GIVE HIGHEST PRIORITY TO TAXPAYERS ENGAGED IN
17 ADVANCED MANUFACTURING OR SEMICONDUCTOR MANUFACTURING THAT
18 HAVE RECEIVED OR ARE EXPECTED TO RECEIVE MATCHING MONEY UNDER
19 ARPA, THE CHIPS ACT, OR OTHER FEDERAL LEGISLATION THAT PROVIDES
20 INCENTIVES FOR ADVANCED MANUFACTURING OR SEMICONDUCTOR
21 MANUFACTURING.

22 (5) THE COMMISSION, TAKING INTO CONSIDERATION THE PRIORITY
23 ASSESSMENT CONDUCTED PURSUANT TO SUBSECTION (4) OF THIS SECTION,
24 SHALL APPROVE OR DENY APPLICATIONS FOR REFUND CERTIFICATES IN ITS
25 DISCRETION BASED ON THE FOLLOWING CRITERIA:

26 (a) WHETHER THE TAXPAYER WAS PREVIOUSLY AWARDED A
27 REFUND CERTIFICATE UNDER THIS SECTION;

1 (b) THE TYPE AND AMOUNT OF ALL FEDERAL, STATE, AND LOCAL
2 FINANCIAL ASSISTANCE RECEIVED, APPLIED FOR, OR INTENDED TO BE
3 APPLIED FOR BY THE TAXPAYER, AS DISCLOSED PURSUANT TO SUBSECTION
4 (3)(b)(III) OF THIS SECTION, AND THE MANNER IN WHICH THE
5 GOVERNMENTAL ENTITY OFFERING THE APPLICABLE FINANCIAL
6 ASSISTANCE HAS BENEFITTED OR MAY BENEFIT THEREFROM;

7 (c) THE SIZE OF THE TAXPAYER'S CURRENT OPERATION IN THE
8 STATE RELATIVE TO THE STATE AS A WHOLE AND THE REGION OF THE
9 STATE IN WHICH THE TAXPAYER IS BASED;

10 (d) ANY STRATEGIC ECONOMIC BENEFITS THAT THE TAXPAYER
11 PROVIDES WITH EXISTING OPERATIONS TO THE STATE OR REGION IN TERMS
12 OF SUPPLY CHAIN, BENEFITS TO OTHER INDUSTRIES, OR OTHER SPILLOVER
13 BENEFITS; AND

14 (e) ANY ADDITIONAL FORTHCOMING ECONOMIC DEVELOPMENT
15 BENEFITS THAT THE TAXPAYER MAY PROVIDE TO THE STATE OR REGION
16 BASED ON COMMITMENTS THAT THE TAXPAYER HAS RECENTLY MADE OR
17 PROPOSES TO MAKE IN THE NEAR TERM.

18 (6) (a) THE COMMISSION MAY APPROVE ALL, PART, OR NONE OF
19 THE AMOUNT OF A TAXPAYER'S APPLICATION FOR A REFUND CERTIFICATE
20 MADE PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION. IF THE
21 COMMISSION APPROVES A TAXPAYER'S APPLICATION IN PART, THE
22 COMMISSION MAY APPROVE ADDITIONAL REFUND CERTIFICATES UP TO THE
23 FULL AMOUNT OF THE TAXPAYER'S ORIGINAL APPLICATION IN A
24 SUBSEQUENT FISCAL YEAR THROUGH FISCAL YEAR 2028-29.

25 (b) UPON APPROVAL BY THE COMMISSION, AND AFTER THE
26 SATISFACTION OF ANY CONTINGENCIES IMPOSED PURSUANT TO
27 SUBSECTION (10) OF THIS SECTION, THE OFFICE SHALL ISSUE A REFUND

1 CERTIFICATE THAT DESCRIBES THE TAXPAYER'S APPROVED PROJECT,
2 INCLUDING THE INFORMATION REQUIRED UNDER SUBSECTION (3)(b)(II) OF
3 THIS SECTION, AND SETS FORTH THE MAXIMUM AMOUNT OF INCOME TAX
4 CREDITS THAT THE TAXPAYER MAY CLAIM AS A REFUND IN ACCORDANCE
5 WITH THIS SECTION.

6 (c) IF A TAXPAYER RECEIVING A REFUND CERTIFICATE PURSUANT
7 TO THIS SECTION IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S
8 CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, THE TAXPAYER
9 MAY ALLOCATE THE APPROVED MAXIMUM TOTAL AMOUNT OF CREDIT
10 WHICH THE TAXPAYER MIGHT EARN AND USE TO CLAIM A REFUND IN
11 CONNECTION WITH THE TAXPAYER'S PROJECT AMONG ITS INVESTORS IN
12 ANY MANNER AGREED TO BY THE INVESTORS. THE TAXPAYER SHALL
13 CERTIFY TO THE OFFICE THE AMOUNT OF CREDIT ALLOCATED TO EACH
14 INVESTOR AND THE OFFICE SHALL ISSUE REFUND CERTIFICATES IN THE
15 APPROPRIATE AMOUNTS TO EACH INVESTOR. EACH INVESTOR IS ALLOWED
16 TO CLAIM A REFUND OF EIGHTY PERCENT OF THE AMOUNT OF THE CREDIT
17 SUBJECT TO ANY RESTRICTIONS SET FORTH IN THIS SECTION.

18 (7) TO CLAIM A REFUND IN CONNECTION WITH AN APPROVED
19 REFUND CERTIFICATE, A TAXPAYER MUST:

20 (a) COMMENCE THE PROJECT APPROVED BY THE COMMISSION IN
21 THE REFUND CERTIFICATE BEFORE THE REFUND CERTIFICATE IS CANCELED,
22 REVOKED, OR MODIFIED BY THE COMMISSION PURSUANT TO SUBSECTION
23 (2)(c) OF THIS SECTION;

24 (b) EARN ONE OR MORE INCOME TAX CREDITS IN CONNECTION
25 WITH THE APPROVED PROJECT IN ACCORDANCE WITH SECTION 39-30-104,
26 39-30-105.1, 39-30-105.5, OR 39-22-531 (2) AND (3)(a)(I)(D), NOT LATER
27 THAN TWELVE YEARS FROM THE DATE THE REFUND CERTIFICATE FOR THE

1 INCOME TAX CREDIT IS APPROVED BY THE COMMISSION;

2 (c) APPLY THE INCOME TAX CREDITS TO THE TAXPAYER'S STATE
3 INCOME TAX LIABILITY, IF ANY, FOR THE INCOME TAX YEAR IN WHICH A
4 REFUND IS CLAIMED;

5 (d) SUBMIT ALL REQUIRED RECORDS AND INFORMATION TO THE
6 DEPARTMENT ON OR BEFORE THE DUE DATE, INCLUDING EXTENSIONS, FOR
7 FILING THE TAXPAYER'S STATE INCOME TAX RETURN FOR THE INCOME TAX
8 YEAR IN WHICH AN INCOME TAX CREDIT IN EXCESS OF THE AMOUNT
9 APPLIED FOR PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION WILL BE
10 REFUNDED, INCLUDING:

11 (I) ALL RECORDS AND INFORMATION NECESSARY TO CLAIM THE
12 INCOME TAX CREDIT EARNED IN CONNECTION WITH THE TAXPAYER'S
13 APPROVED PROJECT, INCLUDING THE REQUIRED CERTIFICATION UNDER
14 SECTION 39-30-103 (7) OR 39-36-104 (5);

15 (II) THE REFUND CERTIFICATE ASSOCIATED WITH THE PROJECT
16 THROUGH WHICH THE TAXPAYER EARNED THE INCOME TAX CREDIT AND
17 THE AMOUNT OF THE CREDIT;

18 (III) A REFUND ELECTION STATEMENT ON A FORM PRESCRIBED BY
19 THE DEPARTMENT; AND

20 (IV) ANY ADDITIONAL DOCUMENTATION REQUIRED BY SECTION
21 39-36-106 (1)(b) OR OTHERWISE REQUIRED BY LAW;

22 (e) SUBJECT TO THE LIMITATION IN SUBSECTION (8) OF THIS
23 SECTION, AGREE TO RECEIVE A REFUND OF THE EIGHTY PERCENT OF THE
24 AMOUNT OF THE CREDIT REMAINING AFTER APPLYING THE CREDIT UNDER
25 SUBSECTION (7)(c) OF THIS SECTION AND FOREGO THE REMAINING TWENTY
26 PERCENT OF THE AMOUNT CLAIMED AS A REFUND; AND

27 (8) A TAXPAYER MAY NOT CLAIM CUMULATIVE REFUNDS IN

1 EXCESS OF THE MAXIMUM TOTAL AMOUNT OF INCOME TAX CREDITS THAT
2 THE COMMISSION HAS APPROVED IN THE REFUND CERTIFICATE. ANY
3 CREDIT EARNED IN EXCESS OF THE AMOUNT IN THE REFUND CERTIFICATE
4 AND FOREGONE UNDER SUBSECTION (7)(e) OF THIS SECTION IS RETAINED
5 BY THE TAXPAYER AND MAY BE USED IN ACCORDANCE WITH THE STATUTE
6 PURSUANT TO WHICH IT WAS EARNED.

7 (9) ON OR BEFORE SEPTEMBER 30, 2023, AND ON OR BEFORE
8 SEPTEMBER 30 OF EACH CALENDAR YEAR THEREAFTER THROUGH
9 SEPTEMBER 30, 2029, THE COMMISSION SHALL PROVIDE THE DEPARTMENT
10 ALL RECORDS AND INFORMATION REQUIRED BY THE DEPARTMENT TO
11 ESTABLISH THAT A TAXPAYER IS APPROVED TO CLAIM REFUNDABLE
12 INCOME TAX CREDITS UP TO THE MAXIMUM TOTAL AMOUNT APPROVED BY
13 THE COMMISSION IN CONNECTION WITH THE TAXPAYER'S PROJECT AS SET
14 FORTH IN THE TAXPAYER'S REFUND CERTIFICATE FOR THE PRECEDING
15 CALENDAR YEAR OR ANY FISCAL YEAR ENDING IN THE PRECEDING
16 CALENDAR YEAR. THE REPORT MUST CONTAIN THE FOLLOWING
17 INFORMATION FOR EACH TAXPAYER:

- 18 (a) THE TAXPAYER'S NAME;
- 19 (b) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL
20 EMPLOYER IDENTIFICATION NUMBER;
- 21 (c) EACH INCOME TAX CREDIT TYPE FOR WHICH THE TAXPAYER
22 MAY REQUEST A REFUND, AS IDENTIFIED PURSUANT TO SUBSECTION
23 (3)(b)(I) OF THIS SECTION AND IN THE TAXPAYER'S REFUND CERTIFICATE;
- 24 (d) A DESCRIPTION OF THE TAXPAYER'S PROJECT, INCLUDING THE
25 INFORMATION FROM SUBSECTION (3)(b)(II), APPROVED IN THE REFUND
26 CERTIFICATE AS THE BASIS FOR THE TAXPAYER'S INCOME TAX CREDIT
27 CLAIM; AND

1 (e) THE MAXIMUM TOTAL AMOUNT OF CREDIT THE TAXPAYER MAY
2 USE TO CLAIM A REFUND PURSUANT TO THIS SECTION AS STATED IN THE
3 REFUND CERTIFICATE.

4 (10) THE COMMISSION, IN CONSULTATION WITH THE OFFICE, MAY
5 ESTABLISH ADDITIONAL POLICIES, PROCEDURES, REQUIREMENTS, AND
6 GUIDELINES TO ADMINISTER THE APPLICATION PROCESS FOR AND
7 APPROVAL OF REFUND CERTIFICATES PURSUANT TO THIS SECTION
8 INCLUDING, BUT NOT LIMITED TO:

9 (a) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE
10 APPROVED BY THE COMMISSION FOR A SINGLE TAXPAYER IN A GIVEN YEAR;

11 (b) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE
12 APPROVED BY THE COMMISSION FOR A SINGLE TAXPAYER FOR MULTIPLE
13 YEARS OR ALL YEARS FOR WHICH THE TAXPAYER HAS APPLIED FOR A
14 REFUND CERTIFICATE;

15 (c) A LIMIT ON THE TOTAL REFUND AMOUNT THAT MAY BE
16 APPROVED BY THE COMMISSION FOR A SPECIFIED SEMICONDUCTOR OR
17 ADVANCED MANUFACTURING ACTIVITY;

18 (d) THE ADOPTION OF NEW OR MODIFICATION OF EXISTING
19 POLICIES, PROCEDURES, REQUIREMENTS, OR GUIDELINES TO ALIGN WITH
20 FEDERAL STATUTES, REGULATIONS, OR GUIDELINES AS NEEDED TO
21 FACILITATE TAXPAYER ELIGIBILITY FOR FEDERAL FINANCIAL ASSISTANCE
22 UNDER ARPA, THE CHIPS ACT, AND OTHER SIMILAR FEDERAL
23 LEGISLATION, INCLUDING BY ENSURING THAT THE TAX INCENTIVES
24 AVAILABLE PURSUANT TO THIS ARTICLE 36 QUALIFY AS "COVERED
25 INCENTIVES" ACCORDING TO 15 U.S.C. SEC. 4651 (3); OR

26 (e) CONTINGENCIES THAT MUST BE SATISFIED BY THE TAXPAYER
27 BEFORE THE TAXPAYER CAN OBTAIN A REFUND CERTIFICATE.

1 (11) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2045.

2 **SECTION 2.** In Colorado Revised Statutes, **add** 24-48.5-133 as
3 follows:

4 **24-48.5-133. Advanced manufacturing and STEM industries**
5 **task force - creation - duties - definition - repeal.** (1) AS USED IN THIS
6 SECTION, UNLESS THE CONTEXT OTHER WISE REQUIRES:

7 (a) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT
8 CREATED IN SECTION 24-48.5-101.

9 (b) "TASK FORCE" MEANS THE ADVANCED MANUFACTURING AND
10 STEM INDUSTRIES TASK FORCE CREATED IN SUBSECTION (2)(a) OF THIS
11 SECTION.

12 (2) (a) THE ADVANCED MANUFACTURING AND STEM INDUSTRIES
13 TASK FORCE IS CREATED IN THE OFFICE. THE TASK FORCE CONSISTS OF THE
14 FOLLOWING MEMBERS:

15 (I) TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES, ONE
16 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE
17 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
18 REPRESENTATIVES;

19 (II) TWO MEMBERS OF THE SENATE, ONE APPOINTED BY THE
20 PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE MINORITY LEADER
21 OF THE SENATE;

22 (III) TWO REPRESENTATIVES OF THE OFFICE WITH EXPERIENCE IN
23 THE ADMINISTRATION OF THE ADVANCED INDUSTRIES ACCELERATION
24 GRANT PROGRAM, CREATED IN SECTION 24-48.5-117 (3), OR OTHER
25 BUSINESS FUNDING AND INCENTIVES, APPOINTED BY THE DIRECTOR OF THE
26 OFFICE;

27 (IV) AT LEAST FOUR INDUSTRY REPRESENTATIVES FROM

1 BUSINESSSES SUPPORTED BY THE ADVANCED INDUSTRIES ACCELERATION
2 GRANT PROGRAM, WHICH MAY INCLUDE ADVANCED MANUFACTURING,
3 AEROSPACE, BIOSCIENCE, ELECTRONICS, ENERGY AND NATURAL
4 RESOURCES, INFRASTRUCTURE ENGINEERING, OR TECHNOLOGY AND
5 INFORMATION BUSINESSES, APPOINTED BY THE DIRECTOR OF THE OFFICE;
6 AND

7 (V) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S DESIGNEE.

8 (b) MEMBERS OF THE TASK FORCE SHALL ELECT ONE MEMBER TO
9 SERVE AS CHAIRPERSON.

10 (c) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT
11 COMPENSATION OTHER THAN REIMBURSEMENT FOR REASONABLE AND
12 ACTUAL EXPENSES INCURRED TO ATTEND MEETINGS.

13 (3) (a) THE TASK FORCE SHALL MEET AT LEAST TWICE DURING THE
14 2023 INTERIM PERIOD TO:

15 (I) STUDY THE EFFECTIVENESS OF EXISTING FINANCIAL
16 INCENTIVES, SUPPORT, RESOURCES, AND DEVELOPMENT STRATEGIES FOR
17 ADVANCED MANUFACTURING AND OTHER SCIENCE, TECHNOLOGY,
18 ENGINEERING, AND MATH (STEM) COMPANIES IN COLORADO;

19 (II) EXAMINE OTHER STATES' STATUTES, REGULATIONS, AND
20 POLICIES INTENDED TO ATTRACT AND PROMOTE THE DEVELOPMENT OF
21 ADVANCED MANUFACTURING AND OTHER STEM COMPANIES; AND

22 (III) IDENTIFY ANY RECOMMENDED LEGISLATION OR CHANGES IN
23 ADMINISTRATIVE RULES OR POLICIES TO MAKE COLORADO'S ADVANCED
24 MANUFACTURING AND OTHER STEM INDUSTRIES MORE NATIONALLY
25 COMPETITIVE.

26 (b) THE TASK FORCE SHALL REPORT ITS FINDINGS TO THE GENERAL
27 ASSEMBLY AND THE GOVERNOR IN ACCORDANCE WITH SECTION 24-1-136

1 (9). THE REPORT SHALL BE SUBMITTED NO LATER THAN DECEMBER 1,
2 2023, AND SHALL CONTAIN THE TASK FORCE'S RECOMMENDATIONS FOR
3 ALL ISSUES ON WHICH TWO-THIRDS OR MORE OF ITS MEMBERS AGREE. A
4 MINORITY REPORT OF ANY ISSUES INCLUDED IN THE REPORT MUST BE
5 INCLUDED AT THE REQUEST OF ONE OR MORE OF THE DISSENTING
6 MEMBERS.

7 (c) THE OFFICE SHALL PROVIDE SUCH SERVICES AS THE TASK FORCE
8 MAY REQUEST, INCLUDING:

9 (I) ADMINISTRATIVE ASSISTANCE, MEETING SPACE, AND OTHER
10 NECESSARY FACILITIES AND SUPPORT SERVICES;

11 (II) POSTAGE AND PRINTING;

12 (III) ARRANGING FOR, COORDINATING, AND KEEPING RECORDS OF
13 MEETINGS; AND

14 (IV) PREPARATION AND DISTRIBUTION OF NOTICES, AGENDAS,
15 MINUTES, AND REPORTS.

16 (d) THE OFFICE MAY, IN THE DISCRETION OF THE DIRECTOR,
17 CONTRACT WITH AN INDEPENDENT FACILITATOR TO SUPPORT THE TASK
18 FORCE, INCLUDING BY ASSISTING IN DRAFTING THE REPORT REQUIRED BY
19 SUBSECTION (3)(b) OF THIS SECTION.

20 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

21 **SECTION 3.** In Colorado Revised Statutes, 39-30-104, **amend**
22 (2)(c)(I) introductory portion, (2)(c)(III)(A), and (2.5)(a)(I) as follows:

23 **39-30-104. Credit against tax - investment in certain property**
24 **- definitions.** (2) (c) (I) For income tax years commencing on or after
25 January 1, 2014, except as provided in ~~subparagraph (H) of this paragraph~~
26 ~~(e)~~ SECTION 24-46-108 AND SUBSECTION (2)(c)(II) OF THIS SECTION, the
27 amount that may be claimed by a taxpayer for an income tax year AND

1 THAT IS NOT APPLIED OR REFUNDED UNDER SECTION 24-46-108 is limited
2 to the lesser of:

3 (III) (A) Except as otherwise provided in ~~sections 24-46-104.3~~
4 ~~and 24-46-107~~ SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108 and
5 subsection (2)(c)(III)(B) of this section, any excess credit allowed
6 pursuant to this subsection (2)(c) shall be an investment tax credit
7 carryover to each of the fourteen income tax years following the unused
8 credit year.

9 (2.5) (a) (I) Notwithstanding section 39-22-507.5 (7)(b), except
10 as provided in ~~section 24-46-107~~ SECTION 24-46-107 AND 24-46-108, and
11 except as otherwise provided in subsections (2.5)(a)(II) and (2.5)(b) of
12 this section, any excess credit allowed pursuant to this section AND NOT
13 APPLIED OR REFUNDED UNDER SECTION 24-46-108 shall be an investment
14 tax credit carryover to each of the twelve income tax years following the
15 unused credit year.

16 **SECTION 4.** In Colorado Revised Statutes, 39-30-105.1, **amend**
17 (4)(a)(I) and (4)(a)(II) as follows:

18 **39-30-105.1. Credit for new enterprise zone business**
19 **employees - definitions.** (4) (a) (I) Except as provided in ~~sections~~
20 ~~24-46-104.3 and 24-46-107~~ SECTIONS 24-46-104.3, 24-46-107, AND
21 24-46-108, for any income tax year commencing on or after January 1,
22 2014, if the total amount of the credits claimed by a taxpayer pursuant to
23 subsections (1)(a)(I), (1)(b), and (3)(a) of this section exceeds the amount
24 of income taxes due on the income of the taxpayer in the income tax year
25 for which the credits are being claimed, the amount of the credits not used
26 as an offset against income taxes in said income tax year ~~is not allowed~~
27 ~~as a refund but~~ OR REFUNDED UNDER SECTION 24-46-108 may be carried

1 forward as a credit against subsequent years' tax liability for a period not
2 exceeding five years and is applied first to the earliest income tax years
3 possible. Any amount of the credit that is not used during said period is
4 not refundable to the taxpayer.

5 (II) Except as provided in ~~sections 24-46-104.3 and 24-46-107~~
6 SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108 for any income tax
7 year commencing on or after January 1, 2014, if the total amount of
8 credits claimed by a taxpayer pursuant to subsections (1)(a)(II) and (3)(b)
9 of this section exceeds the amount of income taxes due on the income of
10 the taxpayer in the income tax year for which the credits are being
11 claimed, the amount of credits not used as an offset against income taxes
12 in said income tax year ~~is not allowed as a refund but~~ AND NOT USED TO
13 CLAIM A REFUND UNDER SECTION 24-46-108 may be carried forward as a
14 credit against subsequent years' tax liability for a period not exceeding
15 seven years and is applied first to the earliest income tax years possible.
16 Any amount of the credit that is not used during said period is not
17 refundable to the taxpayer.

18 **SECTION 5.** In Colorado Revised Statutes, 39-30-105.5, **amend**
19 (2) introductory portion as follows:

20 **39-30-105.5. Credit against Colorado income taxes based on**
21 **expenditures for research and experimental activities.** (2) Except as
22 provided in ~~section 24-46-104.3~~ SECTIONS 24-46-104.3 AND 24-46-108,
23 in any one tax year, the amount of such credit allowable for deduction
24 from the taxpayer's tax liability AND NOT APPLIED OR REFUNDED UNDER
25 SECTION 24-46-108 shall be the total of:

26 **SECTION 6.** In Colorado Revised Statutes, **add** article 36 to title
27 39 as follows:

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ARTICLE 36

CHIPS Zone Act

39-36-101. Short title. THE SHORT TITLE OF THIS ACT IS THE "CHIPS ZONE ACT".

39-36-102. Tax preference performance statement - legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) SEMICONDUCTORS, OR CHIPS, ARE TINY ELECTRONIC DEVICES THAT ARE FUNDAMENTAL TO MODERN INDUSTRIAL AND NATIONAL SECURITY ACTIVITIES. THESE DEVICES POWER TOOLS AS SIMPLE AS A LIGHT SWITCH AND AS COMPLEX AS A FIGHTER JET OR A SMARTPHONE. SEMICONDUCTORS ARE ALSO ESSENTIAL BUILDING BLOCKS IN EMERGING TECHNOLOGIES SUCH AS ARTIFICIAL INTELLIGENCE, 5G COMMUNICATIONS, AND QUANTUM COMPUTING.

(b) IN 2022, THE FEDERAL GOVERNMENT ENACTED THE "CREATING HELPFUL INCENTIVES FOR PRODUCING SEMICONDUCTORS AND SCIENCE ACT", OR "CHIPS AND SCIENCE ACT", PROVIDING FOR OVER FIFTY BILLION DOLLARS TO BE EXPENDED IN STRENGTHENING AND REVITALIZING THE COUNTRY'S POSITION IN SEMICONDUCTOR RESEARCH, DEVELOPMENT, AND MANUFACTURING;

(c) THE "CHIPS AND SCIENCE ACT" IS EXPECTED TO UNLOCK HUNDREDS OF BILLIONS OF DOLLARS OF PRIVATE SECTOR SEMICONDUCTOR INVESTMENT ACROSS THE COUNTRY;

(d) ENACTMENT OF A SEMICONDUCTOR MANUFACTURING ZONE, OR CHIPS ZONE, PROGRAM OF TAX INCENTIVES WILL MAXIMIZE THE OPPORTUNITY FOR COLORADO BUSINESSES TO DRAW DOWN FEDERAL DOLLARS UNDER THE CHIPS ACT AND CAPTURE SOME OF THE BILLIONS OF DOLLARS OF PRIVATE FUNDS EXPECTED TO BE SPENT IN GROWING THE

1 COUNTRY'S SEMICONDUCTOR MANUFACTURING INDUSTRY;

2 (e) THE THREE TAX CREDITS AVAILABLE UNDER THE PROGRAM,
3 FOR QUALIFIED INVESTMENTS, BUSINESS FACILITY EMPLOYEES, AND
4 EXPENDITURES IN RESEARCH AND EXPERIMENTAL ACTIVITIES WILL
5 ENCOURAGE INVESTMENT TO EXPAND COLORADO'S SEMICONDUCTOR
6 MANUFACTURING CAPACITY AND MAKE COLORADO A NEW CENTER FOR
7 INNOVATION AND RESEARCH IN THIS CRITICAL INDUSTRY;

8 (f) INVESTING IN SEMICONDUCTOR MANUFACTURERS IN THIS
9 MANNER ALSO MEANS INVESTING IN COLORADO WORKERS, AS GROWTH IN
10 THE SEMICONDUCTOR MANUFACTURING SECTOR WILL NECESSARILY
11 RESULT IN THE CREATION AND RETENTION OF HIGH-SKILLED,
12 WELL-COMPENSATED MANUFACTURING JOBS IN THE STATE;

13 (g) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
14 REQUIRES ANY BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
15 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
16 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER DECLARES
17 THAT:

18 (I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDITS
19 ALLOWED BY THIS ARTICLE 36 ARE:

20 (A) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;

21 (B) TO IMPROVE INDUSTRY COMPETITIVENESS; AND

22 (C) TO CREATE OR RETAIN JOBS.

23 (II) THE SPECIFIC LEGISLATIVE PURPOSES OF THE TAX CREDITS
24 ALLOWED BY THIS ARTICLE 36 ARE:

25 (A) TO IMPROVE THE COMPETITIVENESS OF COLORADO'S
26 SEMICONDUCTOR MANUFACTURING INDUSTRY;

27 (B) TO INDUCE INVESTMENT IN NEW AND EXISTING

1 SEMICONDUCTOR MANUFACTURING BUSINESSES IN THE STATE; AND

2 (C) TO CREATE WELL-PAYING JOBS IN THE PRIVATE SECTOR AS A
3 RESULT OF SUCH INVESTMENT; AND

4 (III) THE TAX CREDIT CERTIFICATION FORMS REQUIRED FROM
5 TAXPAYERS TO BE EXECUTED BY THE CHIPS ZONE ADMINISTRATOR
6 PURSUANT TO SECTION 39-36-104 (5), THE ANNUAL REPORTS THAT THE
7 ZONE ADMINISTRATOR IS REQUIRED TO MAKE TO THE COLORADO
8 ECONOMIC DEVELOPMENT COMMISSION PURSUANT TO SECTION 39-36-104
9 (3)(b), AND THE ANNUAL REPORTS THAT THE DIRECTOR OF THE COLORADO
10 OFFICE OF ECONOMIC DEVELOPMENT MUST MAKE TO THE GENERAL
11 ASSEMBLY AND THE LEGISLATIVE AUDIT COMMITTEE UNDER SECTION
12 39-36-104 (3)(c), WILL PROVIDE OBJECTIVE ECONOMIC DEVELOPMENT
13 DATA POINTS THAT WILL ALLOW THE GENERAL ASSEMBLY AND THE STATE
14 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CHIPS ZONE TAX
15 CREDITS.

16 **39-36-103. Definitions.** (1) AS USED IN THIS ARTICLE 36, UNLESS
17 THE CONTEXT OTHERWISE REQUIRES:

18 (a) "CERTIFICATION" MEANS THE WRITTEN TAX CREDIT
19 CERTIFICATE DOCUMENTING A TAXPAYER'S INCOME TAX CREDIT CLAIM
20 PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR 39-30-105.5 AND THE
21 ESTIMATED VALUE OF EACH CREDIT CERTIFIED BY THE CHIPS ZONE
22 ADMINISTRATOR, FOR WHICH THE TAXPAYER RECEIVED PRECERTIFICATION
23 IN ACCORDANCE WITH SECTION 39-36-104 (5)(b).

24 (b) "CHIPS ACT" MEANS THE FEDERAL "CREATING HELPFUL
25 INCENTIVES TO PRODUCE SEMICONDUCTORS AND SCIENCE ACT OF 2022",
26 PUB.L. 117-167, AS AMENDED.

27 (c) "CHIPS ZONE" MEANS A SEMICONDUCTOR MANUFACTURING

1 ZONE APPROVED BY THE COMMISSION PURSUANT TO SECTION 39-36-104
2 (2)(a).

3 (d) "COMMISSION" MEANS THE COLORADO ECONOMIC
4 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 (1).

5 (e) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
6 REVENUE.

7 (f) "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.

8 (g) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
9 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

10 (h) "PRECERTIFICATION" MEANS THE WRITTEN PRECERTIFICATION
11 OF A TAXPAYER'S PROPOSED PROJECT AND ANY RELATED INCOME TAX
12 CREDIT CLAIMS PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR
13 39-30-105.5, BY THE CHIPS ZONE ADMINISTRATOR IN RELIANCE ON THE
14 TAXPAYER'S REPRESENTATIONS PURSUANT TO SECTION 39-36-104 (5)(a).

15 (i) "REFUND CERTIFICATE" HAS THE SAME MEANING AS SET FORTH
16 IN SECTION 24-46-108 (1)(h).

17 (j) "SEMICONDUCTOR MANUFACTURING" HAS THE SAME MEANING
18 AS SET FORTH IN SECTION 24-46-108 (1)(i).

19 (k) "TAXPAYER" MEANS A PERSON ENGAGED IN SEMICONDUCTOR
20 MANUFACTURING THAT IS SUBJECT TO TAX UNDER ARTICLE 22 OF THIS
21 TITLE 39.

22 **39-36-104. Zones established - zone administrator - review -**
23 **termination.** (1) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
24 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2036, ANY MUNICIPALITY,
25 COUNTY, OR GROUP OF CONTIGUOUS MUNICIPALITIES OR COUNTIES MAY
26 PROPOSE AN AREA OF SUCH MUNICIPALITY, COUNTY, OR GROUP OF
27 MUNICIPALITIES OR COUNTIES TO BE DESIGNATED AS A CHIPS ZONE IN

1 ACCORDANCE WITH THE POLICIES AND PROCEDURES ESTABLISHED BY THE
2 OFFICE AND PURSUANT TO THIS ARTICLE 36.

3 (b) TO PROPOSE AN AREA FOR DESIGNATION AS A CHIPS ZONE, A
4 LOCAL GOVERNMENT SHALL SUBMIT A DEVELOPMENT PLAN TO THE
5 DIRECTOR. THE PLAN MUST INCLUDE THE FOLLOWING ITEMS:

6 (I) THE BOUNDARIES OF THE PROPOSED ZONE;

7 (II) THE PROPOSED ZONE'S POTENTIAL FOR SEMICONDUCTOR
8 MANUFACTURING BUSINESS DEVELOPMENT AND JOB CREATION;

9 (III) HOW THE PROPOSED ZONE WILL SUPPORT AND BE CONSISTENT
10 WITH MAINTENANCE OF THE AREA'S ECONOMY; AND

11 (IV) ANY OTHER PERTINENT INFORMATION THE DIRECTOR OR THE
12 COMMISSION MAY REQUIRE.

13 (2) (a) THE COMMISSION, AFTER CONSULTATION WITH THE OFFICE,
14 MAY APPROVE THE DESIGNATION OF A CHIPS ZONE.

15 (b) ALL DECISIONS CONCERNING THE DESIGNATION OR
16 TERMINATION OF A CHIPS ZONE OR ANY PORTION OF A CHIPS ZONE
17 SHALL BE MADE BY THE COMMISSION UPON THE RECOMMENDATION OF THE
18 OFFICE.

19 (3) (a) THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, SHALL SERVE
20 AS THE ZONE ADMINISTRATOR FOR ALL APPROVED CHIPS ZONES. THE
21 COMMISSION SHALL WORK WITH THE ZONE ADMINISTRATOR TO ENSURE
22 THAT EACH ZONE HAS ECONOMIC DEVELOPMENT OBJECTIVES WITH
23 OUTCOMES THAT CAN BE MEASURED.

24 (b) THE ZONE ADMINISTRATOR SHALL SUBMIT AN ANNUAL REPORT
25 TO THE COMMISSION SUMMARIZING THE ZONE ADMINISTRATOR'S REVIEW
26 OF DOCUMENTATION, INCLUDING THE MOST RECENT STATISTICS
27 AVAILABLE FOR TAXPAYERS CLAIMING CHIPS ZONE CREDITS, ON:

1 (I) THE NUMBER OF SEMICONDUCTOR MANUFACTURING JOBS
2 CREATED IN THE ZONE;

3 (II) THE NUMBER OF SUCH JOBS RETAINED IN THE ZONE;

4 (III) THE AVERAGE ANNUAL COMPENSATION LEVEL, INCLUDING
5 BENEFITS, OF THE SEMICONDUCTOR MANUFACTURING JOBS CREATED OR
6 RETAINED WITHIN THE ZONE;

7 (IV) AN ANALYSIS OF CAPITAL INVESTMENT IN THE ZONE,
8 INCLUDING THE AMOUNT OF INVESTMENT IN QUALIFYING PROPERTY FOR
9 WHICH TAX CREDITS ARE CLAIMED PURSUANT TO SECTION 39-30-104;

10 (V) THE NUMBER OF BUSINESS FACILITY EMPLOYEES FOR WHICH
11 TAX CREDITS ARE CLAIMED PURSUANT TO SECTION 39-30-105.1;

12 (VI) THE AMOUNT OF INVESTMENT TAX CREDITS CLAIMED
13 PURSUANT TO SECTION 39-30-104 AND THE AMOUNT OF CREDITS FOR
14 EMPLOYEES CLAIMED PURSUANT TO SECTION 39-30-105.1;

15 (VII) THE NUMBER AND AMOUNT OF TAX CREDITS BASED ON
16 EXPENDITURES FOR RESEARCH AND EXPERIMENTAL ACTIVITIES CLAIMED
17 PURSUANT TO SECTION 39-30-105.5; AND

18 (VIII) ANY OTHER INFORMATION REASONABLY REQUIRED BY THE
19 COMMISSION TO EVALUATE THE EFFECTIVENESS OF EACH ZONE IN
20 ACCOMPLISHING THE ECONOMIC OBJECTIVES OF THE ZONE.

21 (c) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136
22 (11)(a)(I), THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, ON BEHALF OF
23 THE COMMISSION, SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL
24 ASSEMBLY ON OR BEFORE NOVEMBER 1, 2023, AND ON OR BEFORE
25 NOVEMBER 1 OF EACH CALENDAR YEAR THEREAFTER THROUGH
26 NOVEMBER 1, 2036, SUMMARIZING THE INFORMATION SUBMITTED BY THE
27 ZONE ADMINISTRATOR TO THE COMMISSION EACH YEAR PURSUANT TO

1 SUBSECTION (3)(b) OF THIS SECTION. THE DIRECTOR, OR THE DIRECTOR'S
2 DESIGNEE, ON BEHALF OF THE COMMISSION SHALL MAKE AN ANNUAL
3 PRESENTATION TO THE LEGISLATIVE AUDIT COMMITTEE THAT REVIEWS
4 AND SUMMARIZES THE INFORMATION IN THE REPORT SUBMITTED TO THE
5 GENERAL ASSEMBLY PURSUANT TO THIS SUBSECTION (3)(c).

6 (d) THE STATE AUDITOR SHALL SUBMIT A REPORT TO THE
7 GOVERNOR AND THE GENERAL ASSEMBLY, AT THE DISCRETION OF THE
8 STATE AUDITOR AND THE LEGISLATIVE AUDIT COMMITTEE, EVALUATING
9 THE IMPLEMENTATION OF THE CHIPS ZONE PROGRAM, MAKING
10 RECOMMENDATIONS FOR STATUTORY CHANGES, IF ANY, AND INCLUDING
11 ANY INFORMATION REQUESTED BY THE GOVERNOR OR THE GENERAL
12 ASSEMBLY. THE EVALUATION MUST BE BASED UPON THE DATA INCLUDED
13 IN THE ANNUAL REPORT SUBMITTED BY THE DIRECTOR ON BEHALF OF THE
14 COMMISSION TO THE GENERAL ASSEMBLY PURSUANT TO SUBSECTION
15 (3)(c) OF THIS SECTION AND OBJECTIVE, VERIFIABLE DATA SUBMITTED BY
16 THE ZONE ADMINISTRATOR AND MAINTAINED BY THE OFFICE OR OBTAINED
17 FROM THE DEPARTMENT. THE REPORT MUST ALSO INCLUDE INFORMATION
18 CONCERNING THE NUMBER AND AMOUNT OF TAX CREDITS CLAIMED AND
19 ALLOWED UNDER THE PROGRAM. FOR PURPOSES OF PREPARING THE
20 REPORT REQUIRED BY THIS SUBSECTION (3)(d), THE STATE AUDITOR SHALL
21 HAVE ACCESS TO ALL RECORDS AND DOCUMENTS APPLICABLE TO THE
22 PROGRAM, WHETHER MAINTAINED BY THE COMMISSION, OFFICE, LOCAL
23 GOVERNMENTS, OR THE ZONE ADMINISTRATOR.

24 (e) TAXPAYERS CLAIMING CHIPS ZONE CREDITS SHALL PROVIDE
25 INFORMATION REASONABLY REQUIRED BY THE ZONE ADMINISTRATOR, THE
26 OFFICE, OR THE COMMISSION TO EVALUATE THE EFFECTIVENESS OF EACH
27 ZONE IN ACCOMPLISHING THE MEASURABLE ECONOMIC DEVELOPMENT

1 OBJECTIVES TO BE ACHIEVED IN THE ZONE.

2 (4) (a) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (5) OF THIS
3 SECTION, EVERY TAXPAYER THAT PERFORMS AN ACT IN A CHIPS ZONE
4 THAT WOULD QUALIFY FOR THE INCOME TAX CREDIT UNDER SECTION
5 39-30-104, 39-30-105.1, OR 39-30-105.5 IF THE ACT WAS PERFORMED IN
6 AN ENTERPRISE ZONE, CREATED PURSUANT TO SECTION 39-30-103 OR
7 39-30-103.2, IS ALLOWED THE CREDIT PURSUANT TO THE CORRESPONDING
8 SECTION AND THIS ARTICLE 36 WITH RESPECT TO THAT ACT.

9 (b) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION OR
10 ANY OTHER PROVISION IN THIS ARTICLE 36, A TAXPAYER MAY NOT CLAIM
11 AN INCOME TAX CREDIT PURSUANT TO THIS ARTICLE 36 FOR PERFORMING
12 AN ACT IN AN ENTERPRISE ZONE FOR WHICH THE TAXPAYER IS ALLOWED
13 TO CLAIM AN INCOME TAX CREDIT PURSUANT TO ARTICLE 30 OF THIS TITLE
14 39.

15 (5) (a) BEFORE A TAXPAYER ENGAGES IN ANY ACTIVITY IN A
16 CHIPS ZONE FOR WHICH THE TAXPAYER INTENDS TO CLAIM AN INCOME
17 TAX CREDIT PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR
18 39-30-105.5, AN AUTHORIZED COMPANY OFFICIAL OF THE TAXPAYER'S
19 BUSINESS OR THE TAXPAYER WHO IS THE OWNER OF THE BUSINESS MUST
20 SUBMIT A PRECERTIFICATION FORM TO THE CHIPS ZONE ADMINISTRATOR
21 AS SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION IN ACCORDANCE WITH
22 THE PRECERTIFICATION PROCESS SET FORTH IN SECTION 39-30-103 (7).

23 (b) (I) A TAXPAYER THAT ENGAGES IN AN ACTIVITY IN A CHIPS
24 ZONE THAT WAS PRECERTIFIED PURSUANT TO SUBSECTION (5)(a) OF THIS
25 SECTION FOR WHICH THE TAXPAYER INTENDS TO CLAIM AN INCOME TAX
26 CREDIT PURSUANT TO SECTION 39-30-104, 39-30-105.1, OR 39-30-105.5,
27 MUST SUBMIT TO THE CHIPS ZONE ADMINISTRATOR ALL NECESSARY

1 RECORDS AND INFORMATION TO ESTABLISH THAT THE TAXPAYER IS
2 ENTITLED TO THE INCOME TAX CREDIT AND ALL DOCUMENTATION
3 REQUIRED TO BE INCLUDED IN THE CHIPS ZONE ADMINISTRATOR'S
4 ANNUAL REPORT PURSUANT TO SUBSECTIONS (3)(b)(I) THROUGH
5 (3)(b)(VII) OF THIS SECTION.

6 (II) THE CHIPS ZONE ADMINISTRATOR, TAKING INTO
7 CONSIDERATION THE ECONOMIC DEVELOPMENT OBJECTIVES ESTABLISHED
8 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION FOR THE ZONE IN WHICH
9 THE TAXPAYER ENGAGED IN THE ACTIVITY TO BE CERTIFIED, SHALL
10 APPROVE OR DENY THE TAXPAYER'S CERTIFICATION REQUEST IN WRITING
11 WITHIN THIRTY DAYS OF ITS SUBMISSION.

12 (c) A TAXPAYER SHALL SUBMIT THE APPROVED CERTIFICATION
13 FROM THE CHIPS ZONE ADMINISTRATOR, INCLUDING ALL INFORMATION
14 REQUIRED UNDER SUBSECTIONS (5)(a) AND (5)(b) OF THIS SECTION, ALONG
15 WITH ANY ADDITIONAL DOCUMENTATION REQUIRED UNDER SECTION
16 39-36-106 (1)(b) OR OTHERWISE REQUIRED BY LAW, TO THE DEPARTMENT
17 NO LATER THAN THE DUE DATE, INCLUDING EXTENSIONS, FOR FILING THE
18 TAXPAYER'S STATE INCOME TAX RETURN FOR THE TAX YEAR IN WHICH A
19 TAX CREDIT ALLOWED UNDER THIS ARTICLE 36 IS CLAIMED.

20 (6) (a) NOTWITHSTANDING SUBSECTION (2)(b) OF THIS SECTION,
21 ALL CHIPS ZONES APPROVED BY THE COMMISSION PURSUANT TO
22 SUBSECTION (2)(a) OF THIS SECTION, TERMINATE AUTOMATICALLY ON
23 DECEMBER 31, 2040.

24 (b) A TAXPAYER THAT COMPLETES AN ACTIVITY IN A CHIPS ZONE
25 THAT WAS PRECERTIFIED PURSUANT TO SUBSECTION (5)(a) OF THIS
26 SECTION PRIOR TO THE DATE OF TERMINATION OF THE CHIPS ZONE UNDER
27 SUBSECTION (6)(a) OF THIS SECTION MAY SEEK CERTIFICATION TO CLAIM

1 AN INCOME TAX CREDIT PURSUANT TO SECTION 39-30-104 OR 39-30-105.1
2 IN ACCORDANCE WITH THE PROCESS SET FORTH IN SECTION 39-30-103
3 (6)(a). NOTHING IN THIS SUBSECTION (6)(b) AUTHORIZES THE COMMISSION
4 TO GRANT TAX BENEFITS THAT HAVE BEEN REPEALED BY THE GENERAL
5 ASSEMBLY OR TO GRANT TAX BENEFITS IN EXCESS OF THE LIMITS OF
6 ESTABLISHED LAW.

7 **39-36-105. Electronic submissions - certification data to**
8 **department of revenue.** (1) (a) ON OR BEFORE SEPTEMBER 1, 2023, AND
9 ON OR BEFORE SEPTEMBER 1 OF EACH CALENDAR YEAR THEREAFTER
10 THROUGH SEPTEMBER 1, 2035, THE DIRECTOR, OR THE DIRECTOR'S
11 DESIGNEE, SHALL TRANSMIT TO THE DEPARTMENT DATA REGARDING
12 INCOME TAX CREDITS ALLOWED PURSUANT TO THIS ARTICLE 36 THAT ARE
13 CERTIFIED BY THE CHIPS ZONE ADMINISTRATOR FROM JANUARY 1
14 THROUGH JUNE 30 OF THE SAME CALENDAR YEAR.

15 (b) ON OR BEFORE MARCH 31, 2024, AND ON OR BEFORE MARCH
16 31 OF EACH CALENDAR YEAR THEREAFTER THROUGH MARCH 31, 2036,
17 THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, SHALL TRANSMIT TO THE
18 DEPARTMENT DATA REGARDING INCOME TAX CREDITS ALLOWED
19 PURSUANT TO THIS ARTICLE 36 THAT ARE CERTIFIED BY THE CHIPS ZONE
20 ADMINISTRATOR FROM JULY 1 THROUGH DECEMBER 31 OF THE PREVIOUS
21 CALENDAR YEAR.

22 (c) THE DATA REQUIRED TO BE TRANSMITTED BY THE DIRECTOR,
23 OR THE DIRECTOR'S DESIGNEE, TO THE DEPARTMENT UNDER SUBSECTIONS
24 (2)(a) AND (2)(b) MUST BE IN THE FORM OF ELECTRONIC REPORTS THAT
25 INCLUDE THE FOLLOWING INFORMATION:

- 26 (I) THE TAXPAYER'S NAME;
27 (II) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL

1 EMPLOYER IDENTIFICATION NUMBER;

2 (III) THE TYPE AND AMOUNT OF EACH INCOME TAX CREDIT
3 ALLOWED UNDER THIS ARTICLE 36 AND CERTIFIED BY THE CHIPS ZONE
4 ADMINISTRATOR FOR THE TAXPAYER FOR THE TAX YEAR; AND

5 (IV) ANY ASSOCIATED TAXPAYERS' NAMES, COLORADO ACCOUNT
6 NUMBERS, AND FEDERAL EMPLOYER IDENTIFICATION NUMBERS OR SOCIAL
7 SECURITY NUMBERS IF THE CREDIT ALLOWED UNDER THIS ARTICLE 36 IS
8 ALLOCATED FROM A PASS-THROUGH ENTITY TO ITS PARTNERS,
9 SHAREHOLDERS, MEMBERS, OR OTHER CONSTITUENT TAXPAYERS.

10 **39-36-106. Department of revenue - electronic filings - report**

11 **- rules.** (1) (a) FOR THE 2023 INCOME TAX YEAR AND EACH INCOME TAX
12 YEAR THEREAFTER THROUGH THE 2035 INCOME TAX YEAR, ANY TAXPAYER
13 THAT CLAIMS ONE OR MORE INCOME TAX CREDITS PURSUANT TO THIS
14 ARTICLE 36 SHALL FILE A STATE INCOME TAX RETURN WITH THE
15 DEPARTMENT IN AN ELECTRONIC FORMAT.

16 (b) A TAXPAYER MUST SUBMIT THE ELECTRONIC STATE INCOME
17 TAX RETURN REQUIRED UNDER SUBSECTION (1)(a) OF THIS SECTION
18 TOGETHER WITH:

19 (I) A CERTIFICATION FORM EXECUTED BY THE CHIPS ZONE
20 ADMINISTRATOR PURSUANT TO SECTION 39-36-104 (5)(b) FOR EACH
21 INCOME TAX CREDIT CLAIMED PURSUANT TO THIS ARTICLE 36;

22 (II) ANY WAIVER CERTIFICATE ISSUED BY THE COMMISSION TO THE
23 TAXPAYER UNDER SECTION 39-30-104 (2)(c)(III)(B) WAIVING THE LIMIT
24 ON THE AMOUNT OF THE TAXPAYER'S QUALIFIED INVESTMENT TAX CREDIT
25 FOR THE INCOME TAX YEAR;

26 (III) A REFUND ELECTION STATEMENT ON A FORM PRESCRIBED BY
27 THE DEPARTMENT FOR EACH TAX CREDIT CLAIMED PURSUANT TO THIS

1 ARTICLE 36 FOR WHICH THE TAXPAYER ELECTS TO RECEIVE A REFUND
2 PURSUANT TO SECTION 24-46-108;

3 (IV) A REFUND CERTIFICATE ISSUED BY THE COMMISSION TO THE
4 TAXPAYER UNDER SECTION 24-46-108 APPROVING EACH INCOME TAX
5 CREDIT CLAIMED PURSUANT TO THIS ARTICLE 36 FOR WHICH THE
6 TAXPAYER ELECTS TO RECEIVE A REFUND; AND

7 (V) A CARRYFORWARD SCHEDULE INCLUDING THE TYPE AND
8 AMOUNT OF EACH INCOME TAX CREDIT CLAIMED PURSUANT TO THIS
9 ARTICLE 36 THAT THE TAXPAYER INTENDS TO USE IN A SUBSEQUENT TAX
10 YEAR.

11 (2) THE DOCUMENTS REQUIRED UNDER SUBSECTION (1)(b) OF THIS
12 SECTION MUST BE FILED WITH THE DEPARTMENT NOT LATER THAN THE DUE
13 DATE, INCLUDING EXTENSIONS, FOR FILING THE TAXPAYER'S STATE INCOME
14 TAX RETURN FOR THE INCOME TAX YEAR IN WHICH THE INCOME TAX
15 CREDITS ARE CLAIMED PURSUANT TO THIS ARTICLE 36.

16 (3) (a) FOR THE 2023 INCOME TAX YEAR AND EACH INCOME TAX
17 YEAR THEREAFTER THROUGH THE 2035 INCOME TAX YEAR, THE
18 DEPARTMENT SHALL AGGREGATE AND REPORT DATA ON ALL OF THE
19 INCOME TAX CREDITS THAT ARE CLAIMED PURSUANT TO THIS ARTICLE 36
20 FOR EACH INCOME TAX YEAR. THE DEPARTMENT SHALL CATEGORIZE SUCH
21 AGGREGATED DATA BY THE DATE THAT THE INCOME TAX CREDIT WAS
22 CERTIFIED BY THE CHIPS ZONE ADMINISTRATOR, THE SPECIFIC INCOME
23 TAX CREDIT ALLOWED PURSUANT TO THIS ARTICLE 36 THAT EACH
24 TAXPAYER WAS AUTHORIZED TO CLAIM, AND THE TOTAL AMOUNT OF THE
25 INCOME TAX CREDITS CLAIMED FOR EACH INCOME TAX CREDIT ALLOWED
26 PURSUANT TO THIS ARTICLE 36.

27 (b) THE DEPARTMENT SHALL SUBMIT THE DATA COLLECTED

1 PURSUANT TO SUBSECTION (1)(b)(V) OF THIS SECTION AND THE DATA
2 AGGREGATED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION TO THE
3 OFFICE ON AUGUST 1, 2023, AND ON AUGUST 1 EACH YEAR THEREAFTER
4 THROUGH AUGUST 1, 2036.

5 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, IN
6 CONSULTATION WITH THE COMMISSION AND THE OFFICE, MAY
7 PROMULGATE RULES AS NECESSARY FOR THE DEPARTMENT TO ADMINISTER
8 AND ENFORCE ANY PROVISIONS OF THIS ARTICLE 36.

9 **39-36-107. Repeal of article.** THIS ARTICLE 36 IS REPEALED,
10 EFFECTIVE JANUARY 1, 2041.

11 **SECTION 7.** In Colorado Revised Statutes, 39-22-531, **amend**
12 (6); and **add** (3)(a)(I)(D) as follows:

13 **39-22-531. Colorado job growth incentive tax credit - rules -**
14 **definitions - repeal.**

15 (3) (a) (I) (D) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2024, BUT PRIOR TO JANUARY 1, 2029, IF THE PROJECT
17 CONSTITUTES ADVANCED MANUFACTURING, AS DEFINED IN SECTION
18 24-46-108 (1)(a), OR SEMICONDUCTOR MANUFACTURING, AS DEFINED IN
19 SECTION 24-46-108 (1)(i), THE PROJECT MUST BRING A NET JOB GROWTH
20 OF AT LEAST TWENTY JOBS TO THE STATE WITH AN AVERAGE YEARLY
21 WAGE OF SEVENTY-FIVE PERCENT OR SUCH GREATER AMOUNT OF THE
22 AVERAGE YEARLY WAGE OF THE COUNTY IN WHICH THE TAXPAYER IS
23 LOCATED, AS THE COMMISSION DEEMS PROPER UNDER ITS DISCRETION.

24 (6) Except as provided in ~~sections 24-46-104.3 and 24-46-107~~
25 SECTIONS 24-46-104.3, 24-46-107, AND 24-46-108, if the amount of the
26 credit allowed in this section exceeds the amount of income taxes
27 otherwise due on the taxpayer's income in the income tax year for which

1 the credit is being claimed, the amount of the credit not used as an offset
2 against income taxes in the current income tax year AND NOT USED TO
3 CLAIM A REFUND PURSUANT TO SECTION 24-46-108 may be carried
4 forward and used as a credit against subsequent years' income tax liability
5 for a period not to exceed ten years and shall be applied first to the
6 earliest income tax years possible. Any credit remaining after said period
7 shall not be refunded or credited to the taxpayer.

8 **SECTION 8. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety.