

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

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 21-0102.01 Gregg Fraser x4325

**HOUSE BILL 21-1233**

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**A BILL FOR AN ACT**

101      **CONCERNING MODIFICATIONS TO THE REQUIREMENTS FOR CLAIMING**  
102              **AN INCOME TAX CREDIT FOR THE DONATION OF A PERPETUAL**  
103              **CONSERVATION EASEMENT, AND, IN CONNECTION THEREWITH,**  
104              **MAKING AN APPROPRIATION.**

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**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://leg.colorado.gov>.)*

The bill makes the following changes affecting claims for an income tax credit allowed for the donation of a perpetual conservation easement in gross (tax credit):

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

SENATE  
3rd Reading Unamended  
June 7, 2021

SENATE  
2nd Reading Unamended  
June 3, 2021

HOUSE  
3rd Reading Unamended  
May 20, 2021

HOUSE  
Amended 2nd Reading  
May 19, 2021

- Specifies that the division of conservation can be a holder of a conservation easement in gross;
- Eliminates a requirement that amounts deducted for federal income tax purposes for the donation of a conservation easement be added back for purposes of calculating Colorado taxable income;
- Modifies the definition of "taxpayer" to clarify the applicability of the tax credit to donations made by certain nonprofit and governmental entities;
- Modifies the process for filing conservation easement tax credit certificates with income tax returns;
- Eliminates the authority of the executive director of the department of revenue to require additional information regarding the amount and validity of tax credits and to resolve disputes regarding the credits;
- Establishes a process for the department of revenue to track the transfer of and certify the ownership of tax credits;
- Modifies the formula used to calculate the amount of the tax credit;
- Modifies the manner in which the amount of a tax credit is allocated among owners, partners, members, or shareholders of certain legal entities;
- Modifies certain provisions regarding the number of tax credits that may be claimed and the manner of claiming the credits;
- Eliminates the requirement that the donor of an easement is the tax matters representative for purposes of resolving issues and disputes relating to a transferred credit; and
- Eliminates obsolete reporting requirements.

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

2           **SECTION 1.** In Colorado Revised Statutes, 12-15-102, **add** (3)  
 3 as follows:

4           **12-15-102. Division of conservation - creation - director.**

5 (3) TO AID IN THE ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE  
 6 15, THE DIVISION HAS THE AUTHORITY TO ACCEPT GRANTS FOR AND ACT  
 7 AS A HOLDER OF CONSERVATION EASEMENTS IN GROSS.

8           **SECTION 2.** In Colorado Revised Statutes, 38-30.5-104, **amend**

1 (2) as follows:

2 **38-30.5-104. Creation of conservation easements in gross.**

3 (2) A conservation easement in gross may only be created through a  
4 grant to or a reservation by a governmental entity, INCLUDING THE  
5 DIVISION OF CONSERVATION CREATED IN SECTION 12-15-102, or a grant to  
6 or a reservation by a charitable organization exempt under section 501  
7 (c)(3) of the federal "Internal Revenue Code of 1986", as amended, which  
8 organization was created at least two years prior to receipt of the  
9 conservation easement.

10 **SECTION 3.** In Colorado Revised Statutes, 39-21-113, **add** (29)  
11 as follows:

12 **39-21-113. Reports and returns - rule.** (29) NOTWITHSTANDING  
13 THE PROVISIONS OF THIS SECTION:

14 (a) THE EXECUTIVE DIRECTOR MAY PROVIDE SUCH DETAILED  
15 TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN INCOME TAX  
16 CREDIT FOR THE DONATION OF A PERPETUAL CONSERVATION EASEMENT IN  
17 GROSS PURSUANT TO SECTION 39-22-522 TO TAXPAYERS, INCLUDING  
18 OWNERS AND TRANSFEREES, WITH CASES INVOLVING COMMON OR  
19 RELATED ISSUES OF FACT OR LAW. WITH THE EXCEPTION OF TAXPAYER  
20 CONTACT INFORMATION, ANY INFORMATION PROVIDED PURSUANT TO THIS  
21 SUBSECTION (29) MUST REMAIN CONFIDENTIAL, AND ALL PERSONS ARE  
22 SUBJECT TO THE LIMITATIONS SPECIFIED IN SUBSECTION (4) OF THIS  
23 SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS  
24 SECTION.

25 (b) THE EXECUTIVE DIRECTOR MAY REQUIRE THAT SUCH DETAILED  
26 TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN INCOME TAX  
27 CREDIT FOR THE DONATION OF A PERPETUAL CONSERVATION EASEMENT

1 PURSUANT TO SECTION 39-22-522 AND ANY DOCUMENTATION IN SUPPORT  
2 OF THE CREDIT CLAIMED BE GIVEN TO THE DIVISION OF CONSERVATION AS  
3 THE EXECUTIVE DIRECTOR DETERMINES IS NECESSARY IN THE  
4 PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS RELATING TO THE  
5 CREDIT. IN RESOLVING DISPUTES REGARDING THE CREDIT, THE EXECUTIVE  
6 DIRECTOR MAY DISCLOSE SUCH DETAILED TAXPAYER INFORMATION AND  
7 CONSULT WITH THE DIVISION OF CONSERVATION. NOTWITHSTANDING PART  
8 2 OF ARTICLE 72 OF TITLE 24, IN ORDER TO PROTECT THE CONFIDENTIAL  
9 FINANCIAL INFORMATION OF A TAXPAYER, THE EXECUTIVE DIRECTOR  
10 SHALL DENY THE RIGHT TO INSPECT ANY INFORMATION OR  
11 DOCUMENTATION REQUIRED IN ACCORDANCE WITH THIS SUBSECTION (29).

12 **SECTION 4.** In Colorado Revised Statutes, 39-22-522, **amend**  
13 (1), (2.7), (3.5)(b), (3.6), (4)(a)(II.5), (4)(b), (5)(b)(III), (6), (7)  
14 introductory portion, (7)(i), and (7)(j); **repeal** (7)(d), (10), and (11); and  
15 **add** (4)(a)(II.7) and (7.5) as follows:

16 **39-22-522. Credit against tax - conservation easements -**  
17 **definition.** (1) For the purposes of this section:

18 (a) FOR INCOME TAX YEARS COMMENCING PRIOR TO JANUARY 1,  
19 2021, "taxpayer" means a resident individual or a domestic or foreign  
20 corporation subject to the provisions of part 3 of this article, a  
21 partnership, S corporation, or other similar pass-through entity, estate, or  
22 trust that donates a conservation easement as an entity, and a partner,  
23 member, and subchapter S shareholder of such pass-through entity.

24 (b) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
25 1, 2021, "TAXPAYER" MEANS ANY PERSON OR ENTITY FILING A STATE  
26 INCOME TAX RETURN OR A DOMESTIC OR FOREIGN CORPORATION SUBJECT  
27 TO THE PROVISIONS OF PART 3 OF THIS ARTICLE 22, A PARTNERSHIP, S

1 CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, ESTATE, TRUST,  
2 NONPROFIT ENTITY, OR AN ENTITY THAT HAS AUTHORITY TO CONDUCT  
3 WATER ACTIVITIES, AS DEFINED BY SECTION 37-45.1-102 (3) AND CREATED  
4 PURSUANT TO ARTICLE 41, 45, 46, 47, 48, OR 50 OF TITLE 37, OR ARTICLE  
5 42 OF TITLE 7, THAT CONVEYS A CONSERVATION EASEMENT IN GROSS  
6 PURSUANT TO SECTION 38-30.5-104. A DITCH OR RESERVOIR COMPANY  
7 FORMED PURSUANT TO ARTICLE 42 OF TITLE 7, OR OTHERWISE, IS ENTITLED  
8 TO ACT ON ITS OWN BEHALF IN GRANTING A CONSERVATION EASEMENT  
9 AND EARNING AND TRANSFERRING TAX CREDITS UNDER THIS SECTION,  
10 WHETHER OR NOT ANY OF ITS SHAREHOLDERS OR MEMBERS ARE  
11 GOVERNMENTAL ENTITIES.

12 (2.7) Notwithstanding any other provision, for income tax years  
13 commencing on or after January 1, 2014, no claim for a credit shall be  
14 allowed unless a tax credit certificate is issued by the division of real  
15 estate prior to May 30, 2018, or by the division of conservation on or after  
16 May 30, 2018, in accordance with sections 12-15-105 and 12-15-106 and,  
17 FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014,  
18 BUT PRIOR TO JANUARY 1, 2022, the taxpayer files the tax credit certificate  
19 with the income tax return filed with the department of revenue.

20 (3.5) (b) (I) For conservation easements donated on or after  
21 January 1, 2014, and subject to the restrictions of section 12-15-106 (4),  
22 the executive director shall have the authority, pursuant to subsection (8)  
23 of this section, to require additional information from the taxpayer or  
24 transferee regarding the amount of ~~the~~ A credit TRANSFERRED PRIOR TO  
25 JANUARY 1, 2021, and the validity of the credit. In resolving disputes  
26 regarding the validity or the amount of a credit allowed pursuant to  
27 subsection (2) of this section, the executive director shall have the

1 authority, for good cause shown, to review and accept or reject, in whole  
2 or in part, the amount of the credit and the validity of the credit based  
3 upon the internal revenue code and federal regulations in effect at the  
4 time of the donation, except those requirements for which authority is  
5 granted to the division of conservation, the director of the division of  
6 conservation, or the conservation easement oversight commission  
7 pursuant to section 12-15-106.

8 (II) FOR TAX CREDIT CERTIFICATES ISSUED BY THE DIVISION FOR  
9 USE ON OR AFTER JANUARY 1, 2021, THE TRANSFEROR AND TRANSFEREE  
10 OF THE TAX CREDIT SHALL JOINTLY FILE A COPY OF THE WRITTEN  
11 TRANSFER AGREEMENT WITH THE DIVISION OF CONSERVATION WITHIN  
12 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3.5)(b)(II)  
13 OR THE DATE OF THE TRANSFER, WHICHEVER IS LATER. IF THE CREDIT  
14 BEING TRANSFERRED WAS ISSUED FOR A YEAR OTHER THAN THE YEAR IN  
15 WHICH IT IS TRANSFERRED, THE TRANSFEROR SHALL FURTHER SUBMIT A  
16 COPY OF THE TRANSFEROR'S DR1305 FORM FOR EACH YEAR FROM THE  
17 YEAR FOR WHICH THE CREDIT WAS ISSUED THROUGH THE MOST RECENT  
18 YEAR FOR WHICH TAXES WERE DUE. THE DIVISION SHALL ISSUE A  
19 CERTIFICATE TO THE TRANSFEREE IN THE AMOUNT OF THE TAX CREDIT  
20 TRANSFERRED AND, IF ANY AMOUNT IS RETAINED BY THE TRANSFEROR,  
21 ISSUE A CERTIFICATE TO THE TRANSFEROR IN THE AMOUNT RETAINED. IN  
22 NO EVENT SHALL A TRANSFEREE BE ALLOWED TO CLAIM AN AMOUNT  
23 GREATER THAN THE AMOUNT SPECIFIED IN THE CERTIFICATE ISSUED TO  
24 THE TRANSFEREE. THE DIVISION SHALL DEVELOP A SYSTEM TO TRACK THE  
25 TRANSFERS OF TAX CREDITS AND TO CERTIFY THE OWNERSHIP OF TAX  
26 CREDITS. A CERTIFICATION ISSUED FOR USE ON OR AFTER JANUARY 1,  
27 2021, BY THE DIVISION OF THE OWNERSHIP AND AMOUNT OF TAX CREDITS

1 SHALL BE RELIED UPON BY THE DEPARTMENT OF REVENUE AND THE  
2 TRANSFEREE AS BEING ACCURATE, AND NEITHER THE DIVISION NOR THE  
3 DEPARTMENT OF REVENUE SHALL ADJUST THE AMOUNT OF TAX CREDITS  
4 CERTIFIED BY THE DIVISION AS TO THE TRANSFEREE; EXCEPT THAT THE  
5 DIVISION AND DEPARTMENT RETAIN ANY REMEDIES IT MAY HAVE AGAINST  
6 THE LANDOWNER. THE DIVISION MAY PROMULGATE RULES TO PERMIT  
7 VERIFICATION OF THE OWNERSHIP AND AMOUNT OF THE TAX CREDITS;  
8 EXCEPT THAT ANY RULES PROMULGATED SHALL NOT UNDULY RESTRICT OR  
9 HINDER THE TRANSFER OF THE TAX CREDITS.

10 (3.6) (a) For conservation easements donated on or after January  
11 1, 2014, in order for any taxpayer to qualify for CLAIM the credit provided  
12 for in subsection (2) of this section, the taxpayer must submit the  
13 following in a form, approved by the executive director, to the department  
14 of revenue at the same time as the taxpayer files a return for the taxable  
15 year in which the credit is claimed:

16 (a) (I) A tax credit certificate issued under section 12-15-106; and  
17 (II) The information required in ~~subsections (3)(a), (3)(b), (3)(d),~~  
18 ~~and (3)(f)(H)~~ SUBSECTIONS (3)(a) AND (3)(b) of this section.

19 (b) Notwithstanding any other provisions of law, the executive  
20 director retains the authority to administer all issues related to the claim  
21 or use of a tax credit for the donation of a conservation easement that are  
22 not granted to the director of the division of conservation or the  
23 conservation easement oversight commission under section 12-15-106.

24 (c) ~~The information required in paragraph (f) of subsection (3) of~~  
25 ~~this section will no longer be required from the holder of the conservation~~  
26 ~~easement.~~

27 (4) (a) (II.5) For a conservation easement in gross created in

1 accordance with article 30.5 of title 38 that is donated on or after January  
2 1, 2015, BUT PRIOR TO JANUARY 1, 2021, to a governmental entity or a  
3 charitable organization described in section 38-30.5-104 (2), the credit  
4 provided for in subsection (2) of this section shall be an amount equal to  
5 seventy-five percent of the first one hundred thousand dollars of the fair  
6 market value of the donated portion of such conservation easement in  
7 gross when created, and fifty percent of all amounts of the donation in  
8 excess of one hundred thousand dollars; except that in no case shall the  
9 credit exceed five million dollars per donation. Credits shall be issued in  
10 increments of no more than one million five hundred thousand dollars per  
11 year. Credits for easements donated in a prior year shall be eligible for tax  
12 credit certificates in subsequent years in order of application and before  
13 new applications and those credit applications, if any, on the wait list.

14 (II.7) FOR A CONSERVATION EASEMENT IN GROSS CREATED IN  
15 ACCORDANCE WITH ARTICLE 30.5 OF TITLE 38 THAT IS DONATED ON OR  
16 AFTER JANUARY 1, 2021, TO A GOVERNMENTAL ENTITY OR A CHARITABLE  
17 ORGANIZATION DESCRIBED IN SECTION 38-30.5-104 (2), THE CREDIT  
18 PROVIDED FOR IN SUBSECTION (2) OF THIS SECTION IS AN AMOUNT EQUAL  
19 TO NINETY PERCENT OF THE FAIR MARKET VALUE OF THE DONATED  
20 PORTION OF SUCH CONSERVATION EASEMENT IN GROSS WHEN CREATED;  
21 EXCEPT THAT IN NO CASE SHALL THE CREDIT EXCEED FIVE MILLION  
22 DOLLARS PER DONATION. CREDITS SHALL BE ISSUED IN INCREMENTS OF NO  
23 MORE THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS PER YEAR.  
24 CREDITS FOR EASEMENTS DONATED IN A PRIOR YEAR ARE ELIGIBLE FOR  
25 TAX CREDIT CERTIFICATES IN SUBSEQUENT YEARS IN ORDER OF  
26 APPLICATION AND BEFORE NEW APPLICATIONS AND THOSE CREDIT  
27 APPLICATIONS, IF ANY, ON THE WAIT LIST.



1 (b) (I) For income tax years commencing on or after January 1,  
2 2000, in the case of a joint tenancy, tenancy in common, partnership, S  
3 corporation, or other similar entity or ownership group that donates a  
4 conservation easement as an entity or group, the amount of the credit  
5 allowed pursuant to subsection (2) of this section shall MUST be allocated  
6 to the entity's owners, partners, members, or shareholders in proportion  
7 to the owners', partners', members', or shareholders' distributive shares of  
8 income or ownership percentage from such entity or group.

9 (II) (A) For income tax years commencing on or after January 1,  
10 2000, but prior to January 1, 2003, the total aggregate amount of the  
11 credit allocated to such owners, partners, members, and shareholders shall  
12 not exceed one hundred thousand dollars, and, if any refund is claimed  
13 pursuant to ~~subparagraph (I) of paragraph (b) of subsection (5)~~  
14 SUBSECTION (5)(b)(I) of this section, the aggregate amount of the refund  
15 and the credit claimed by such partners, members, and shareholders shall  
16 not exceed twenty thousand dollars for that income tax year.

17 (B) For income tax years commencing on or after January 1, 2003,  
18 but prior to January 1, 2007, the total aggregate amount of the credit  
19 allocated to such owners, partners, members, and shareholders shall not  
20 exceed two hundred sixty thousand dollars, and, if any refund is claimed  
21 pursuant to ~~subparagraph (I) of paragraph (b) of subsection (5)~~  
22 SUBSECTION (5)(b)(I) of this section, the aggregate amount of the refund  
23 and the credit claimed by such owners, partners, members, and  
24 shareholders shall not exceed fifty thousand dollars for that income tax  
25 year.

26 (C) For income tax years commencing on or after January 1, 2007,  
27 AND PRIOR TO JANUARY 1, 2015, the total aggregate amount of the credit

1 allocated to such owners, partners, members, and shareholders shall not  
2 exceed three hundred seventy-five thousand dollars, and, if any refund is  
3 claimed pursuant to ~~subparagraph (I) of paragraph (b) of subsection (5)~~  
4 SUBSECTION (5)(b)(I) of this section, the aggregate amount of the refund  
5 and the credit claimed by such owners, partners, members, and  
6 shareholders shall not exceed fifty thousand dollars for that income tax  
7 year.

8 (D) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
9 1, 2015, THE TOTAL AGGREGATE AMOUNT OF THE CREDIT ALLOCATED TO  
10 SUCH OWNERS, PARTNERS, MEMBERS, AND SHAREHOLDERS SHALL NOT  
11 EXCEED FIVE MILLION DOLLARS, AND, IF ANY REFUND IS CLAIMED  
12 PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION, THE AGGREGATE  
13 AMOUNT OF THE REFUND AND THE CREDIT CLAIMED BY SUCH OWNERS,  
14 PARTNERS, MEMBERS, AND SHAREHOLDERS SHALL NOT EXCEED FIFTY  
15 THOUSAND DOLLARS FOR THAT INCOME TAX YEAR.

16 (5) (b) (III) If any refund is claimed pursuant to ~~subparagraph (I)~~  
17 ~~of this paragraph (b)~~ SUBSECTION (5)(b)(I) OF THIS SECTION, then the  
18 aggregate amount of the refund and amount of the credit used as an offset  
19 against income taxes, EXCLUDING AMOUNTS TRANSFERRED TO OR USED BY  
20 A TRANSFEREE, for that income tax year shall not exceed fifty thousand  
21 dollars for that income tax year. In the case of a partnership, S  
22 corporation, or other similar pass-through entity that donates a  
23 conservation easement as an entity, if any refund is claimed pursuant to  
24 ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION (5)(b)(I) OF THIS  
25 SECTION, the aggregate amount of the refund and the credit claimed by the  
26 partners, members, or shareholders of the entity shall not exceed the  
27 dollar limitation set forth in this ~~subparagraph (III)~~ SUBSECTION (5)(b)(III)

1 for that income tax year. Nothing in this ~~subparagraph (HH)~~ SUBSECTION  
2 (5)(b)(III) shall limit a taxpayer's ability to claim a credit against taxes  
3 due in excess of fifty thousand dollars in accordance with subsection (4)  
4 of this section.

5 (6) (a) For conservation easements donated prior to January 1,  
6 2014, a taxpayer may claim only one tax credit under this section per  
7 income tax year; except that a transferee of a tax credit under subsection  
8 (7) of this section may claim an unlimited number of credits. A taxpayer  
9 who has carried forward or elected to receive a refund of part of the tax  
10 credit in accordance with subsection (5) of this section shall not claim an  
11 additional tax credit under this section for any income tax year  
12 COMMENCING PRIOR TO JANUARY 1, 2014, in which the taxpayer applies  
13 the amount carried forward against income tax due or receives a refund.  
14 A taxpayer TRANSFEROR who has transferred a credit to a transferee  
15 pursuant to subsection (7) of this section shall not claim an additional tax  
16 credit under this section for any income tax year COMMENCING PRIOR TO  
17 JANUARY 1, 2014, in which the transferee uses such transferred credit.  
18 COMMENCING JANUARY 1, 2014, A TAXPAYER MAY CLAIM ONE TAX  
19 CREDIT PER YEAR REGARDLESS OF WHETHER THE TAXPAYER HAS CREDITS  
20 REMAINING FROM ANY PRIOR CONSERVATION EASEMENT DONATION.

21 (b) For conservation easements donated on or after ~~January 1,~~  
22 ~~2014~~ JANUARY 1, 2000, a taxpayer may claim only one tax credit under  
23 this section per income tax year; except that a transferee of a tax credit  
24 under subsection (7) of this section may claim an unlimited number of  
25 credits.

26 (7) For income tax years commencing on or after January 1, 2000,  
27 a taxpayer may transfer all or a portion of a tax credit granted pursuant to

1 subsection (2) of this section to ~~another taxpayer~~ A TRANSFEREE for such  
2 ~~other taxpayer~~, as transferee to apply as a credit against the taxes imposed  
3 by this ~~article~~ ARTICLE 22 subject to the following limitations:

4 (d) ~~For any tax year in which a tax credit is transferred pursuant~~  
5 ~~to this subsection (7), both the taxpayer and the transferee shall file~~  
6 ~~written statements with their income tax returns specifying the amount of~~  
7 ~~the tax credit that has been transferred. A transferee may not claim a~~  
8 ~~credit transferred pursuant to this subsection (7) unless the taxpayer's~~  
9 ~~written statement verifies the amount of the tax credit claimed by the~~  
10 ~~transferee.~~

11 (i) FOR A DONATION MADE PRIOR TO JANUARY 1, 2021, the donor  
12 of an easement for which a tax credit is claimed or the transferor of a tax  
13 credit CLAIMED FOR THE DONATION OF THE EASEMENT transferred  
14 pursuant to this subsection (7) ~~shall be~~ IS the tax matters representative in  
15 all matters with respect to the credit. The tax matters representative ~~shall~~  
16 ~~be~~ IS responsible for representing and binding the transferees with respect  
17 to all issues affecting the credit, including, but not limited to, the  
18 charitable contribution deduction, the appraisal, notifications and  
19 correspondence from and with the department of revenue, audit  
20 examinations, assessments or refunds, settlement agreements, and the  
21 statute of limitations. The transferee ~~shall be~~ IS subject to the same statute  
22 of limitations with respect to the credit as the transferor of the credit.

23 (j) FOR A TAX CREDIT CLAIMED FOR THE DONATION OF AN  
24 EASEMENT MADE PRIOR TO JANUARY 1, 2021, final resolution of disputes  
25 regarding the tax credit between the department of revenue and the tax  
26 matters representative, including final determinations, compromises,  
27 payment of additional taxes or refunds due, and administrative and

1 judicial decisions, ~~shall be~~ IS binding on transferees.

2 (7.5) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
3 JANUARY 1, 2021, IN LIEU OF A CREDIT WITH RESPECT TO THE INCOME  
4 TAXES IMPOSED BY THIS ARTICLE 22, THERE IS ALLOWED A TRANSFERABLE  
5 EXPENSE AMOUNT TO EACH QUALIFIED ENTITY THAT DONATES DURING THE  
6 TAXABLE YEAR ALL OR PART OF THE VALUE OF A PERPETUAL  
7 CONSERVATION EASEMENT IN GROSS CREATED PURSUANT TO ARTICLE 30.5  
8 OF TITLE 38 UPON REAL PROPERTY THE QUALIFIED ENTITY OWNS TO A  
9 GOVERNMENTAL ENTITY OR A CHARITABLE ORGANIZATION DESCRIBED IN  
10 SECTION 38-30.5-104 (2). A TRANSFERABLE EXPENSE AMOUNT SHALL BE  
11 TREATED IN ALL MANNERS AS A TAX CREDIT FOR PURPOSES OF THIS  
12 SECTION, INCLUDING PROVISIONS GOVERNING THE AMOUNT, VALUATION,  
13 AND TRANSFER OF A TAX CREDIT; EXCEPT THAT THE TRANSFERABLE  
14 EXPENSE AMOUNT MAY ONLY BE TRANSFERRED TO A TRANSFEREE TO BE  
15 CLAIMED BY THE TRANSFEREE AS A CREDIT PURSUANT TO THIS SECTION. A  
16 QUALIFIED ENTITY MAY TRANSFER A TRANSFERABLE EXPENSE AMOUNT TO  
17 BE CLAIMED AS A CREDIT BY A TRANSFEREE PURSUANT TO THIS SECTION  
18 REGARDLESS OF WHETHER THE QUALIFIED ENTITY RECEIVES VALUE IN  
19 EXCHANGE FOR THE TRANSFER.

20 (b) AS USED IN THIS SUBSECTION (7.5), "QUALIFIED ENTITY" MEANS  
21 A GOVERNMENTAL ENTITY THAT MEETS THE DEFINITION OF "TAXPAYER"  
22 AS SET FORTH IN SUBSECTION (1)(b) OF THIS SECTION BUT IS OTHERWISE  
23 EXEMPT FROM THE INCOME TAXES IMPOSED BY THIS ARTICLE 22.

24 (10) ~~On or before July 1, 2008, the department of revenue shall~~  
25 ~~create a report, which shall be made available to the public, on the credits~~  
26 ~~claimed in the previous year in accordance with this section. For each~~  
27 ~~credit claimed for a conservation easement in gross, the report shall~~

1 summarize by county where the easement is located, the acres under  
2 easement, the appraised value of the easement, the donated value of the  
3 easement, and the name of any holders of the easement; except that the  
4 department shall combine such information for multiple counties where  
5 necessary to ensure that the information for no fewer than three  
6 easements is summarized for any county or combination of counties in the  
7 report. The report shall be updated annually to reflect the same  
8 information for any additional credits that have been granted since the  
9 previous report. This report shall not be required for conservation  
10 easements donated on or after January 1, 2014.

11 (11) On or before December 31, 2007, the department of revenue  
12 shall create a report, which shall be made available to the public, with as  
13 much of the information specified in paragraph (c) of subsection (3) of  
14 this section as is available to the department, summarized by county, for  
15 each tax credit claimed for a conservation easement in gross for tax years  
16 commencing on or after January 1, 2000. This report shall not be required  
17 for conservation easements donated on or after January 1, 2014.

18 **SECTION 5. Appropriation.** (1) For the 2021-22 state fiscal  
19 year, \$254,372 is appropriated to the department of regulatory agencies.  
20 This appropriation is from the conservation cash fund created in section  
21 12-15-107, C.R.S. To implement this act, the department may use this  
22 appropriation as follows:

23 (a) \$158,666 for use by the division of conservation for  
24 conservation easement program costs, which amount is based on an  
25 assumption that the division will require an additional 2.0 FTE; and

26 (b) \$95,706 for the purchase of legal services.

27 (2) For the 2021-22 state fiscal year, \$206,998 is appropriated to

1 the department of revenue. This appropriation is from the general fund.

2 To implement this act, the department may use this appropriation as

3 follows:

4 (a) \$159,145 for tax administration IT system (GenTax) support;

5 and

6 (b) \$47,853 for the purchase of legal services.

7 (3) For the 2021-22 state fiscal year, \$143,559 is appropriated to

8 the department of law. This appropriation is from reappropriated funds

9 received from the department of regulatory agencies under subsection

10 (1)(b) and the department of revenue under subsection (2)(b) of this

11 section and is based on an assumption that the department of law will

12 require an additional 0.9 FTE. To implement this act, the department of

13 law may use this appropriation to provide legal services for the

14 department of regulatory agencies and the department of revenue.

15 **SECTION 6. Safety clause.** The general assembly hereby finds,

16 determines, and declares that this act is necessary for the immediate

17 preservation of the public peace, health, or safety.