

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0997.01 Nicole Myers x4326

HOUSE BILL 24-1325

HOUSE SPONSORSHIP

Valdez and Soper,

SENATE SPONSORSHIP

Bridges and Baisley,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF TAX INCENTIVES TO SUPPORT THE**
102 **QUANTUM INDUSTRY, AND, IN CONNECTION THEREWITH,**
103 **MAKING AN APPROPRIATION.**

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 creates 2 tax incentives to support the development of the quantum technology ecosystem in the state. Neither of the tax credits created in the bill are allowed to any qualified applicant unless a Colorado-based entity receives a multi-million dollar federal grant from the economic development administration for the regional technology and

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.*

innovation program or a comparable federal grant program.

Tax credit for investments in fixed capital assets to create a shared quantum facility. Section 2 of the bill creates a 100% refundable income tax credit for qualifying investments in fixed capital assets as part of a coordinated plan to create a shared quantum facility (facility credit) for income tax years commencing on or after January 1, 2025, but before January 1, 2033. The amount of the facility credit is equal to the amount of the qualifying investment made by a qualified applicant for an eligible project; except that the maximum aggregate amount of all facility credits is \$44 million. In addition, the maximum aggregate amount of facility credits that may be claimed in the taxable year in which the eligible project is placed in service is \$24 million. If qualified applicants are issued more than an aggregate of \$24 million in facility credits, the qualified applicants may claim the credits in future taxable years, subject to a specified limit on the amount of the credit that may be claimed in a single taxable year.

A qualified applicant may be a consortium of entities that are jointly participating in creating a shared quantum facility. An eligible project is a project to create a shared quantum facility, which is a primary place in the state where an applicant performs activities and provides the economic benefits related to quantum business and that is approved as an eligible project by the office of economic development (office).

The bill details a process for claiming the facility credit that requires:

- The submission by a qualified applicant to the office of an application for a facility credit reservation;
- Preliminary and final review of the application and approval of the request for a facility credit reservation by the office;
- Issuance of a facility credit reservation to the qualified applicant by the office;
- Completion of the eligible project and certification by the qualified applicant of the qualified applicant's qualifying investments;
- Review of the eligible project and qualifying investments by the office;
- Issuance of a tax credit certificate by the office;
- Filing of the tax credit certificate with the department of revenue with the qualified applicant's tax return or informational return; and
- Recapture of the credit if the eligible project is not used for a use that makes it an eligible project during a specified compliance period.

Quantum business loan loss reserve tax credit. Section 3 creates a 100% refundable income tax credit to offset losses incurred by a

qualified applicant in connection with a registered loan to a quantum company (loan loss credit) for income tax years commencing on or after January 1, 2026, but before January 1, 2046. A qualified applicant is a commercial bank, depository institution, private lending fund, or other entity that makes loans for commercial purposes to a quantum company that satisfies certain income and other criteria (eligible loan). The administrator of the loan loss credit (administrator) may be the office, or the office may contract with a third-party program administrator to administer the credit. The administrator is required to determine the method by which the loan loss credit will be distributed to qualified applicants. The distribution method may be on a first-come, first-served basis or based on a competitive lender selection process where the administrator chooses which lenders are eligible to apply for the loan loss credit.

A qualified applicant is required to register any loan that is the basis of a loan loss tax credit with the administrator and is not eligible to claim the loan loss credit until the qualified applicant has incurred a loss in connection with a registered loan. The amount of the loan loss credit is an amount up to 15 cents for every dollar of an eligible loan that the qualified applicant has made or will make; except that the maximum aggregate amount of all loan loss credits is \$30 million. In addition, subject to specified requirements and, if the administrator is not the office, the approval of the office, the administrator may establish policies and procedures to set the amount of the loan loss credit below 15 cents for every dollar loaned, change the amount of the loan loss credit from time to time, or cap the total amount of loan loss credits issued to a qualified applicant.

Each qualified applicant that is issued more than one loan loss credit certificate is required to hold all the loan loss credit certificates that were issued to the qualified applicant in a pooled loan loss reserve. A qualified applicant may use all or any portion of the loan loss credit certificates issued to that qualified applicant to offset any loss incurred by that qualified applicant in connection with one or more registered loans.

The bill details a process for claiming the loan loss credit that requires:

- Submission of an application for a loan loss credit certificate and a request that the administrator register an eligible loan;
- Preliminary and final review of the application and registration of eligible loans by the administrator;
- Issuance of a loan loss tax credit certificate to a qualified applicant;
- Periodic updates to the administrator by a qualified applicant that was issued a loan loss credit certificate regarding the status of each of the qualified applicant's

- registered loans;
- Application to the administrator for a registered loan loss certificate after a qualified applicant incurs a loss in connection with a registered loan;
- Review of information regarding the loan by the administrator and issuance of a registered loan loss certificate to the qualified applicant; and
- Filing the loan loss credit certificate and the registered loan loss certificate with the department of revenue with the qualified applicant's tax return or informational return.

The administrator of the loan loss credit may impose a registration and issuance fee on a qualified applicant or on the borrower to which a qualified applicant made an eligible loan. The administrator is required to credit any fee revenue to the quantum business loan loss reserve cash fund, which is created in the bill and is exempted, in **section 3**, from the restriction on the statutory amount of authorized cash fund reserves.

The office and the administrator are required to annually report to the general assembly regarding the facility credit and the loan loss credit and may, after soliciting advice from the department of revenue and quantum industry participants, create and modify policies and procedures as necessary to implement the facility credit or the loan loss credit, as applicable.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Under the federal "Creating Helpful Incentives to Produce
5 Semiconductors (CHIPS) and Science Act", enacted in 2022, the United
6 States Department of Commerce's Economic Development
7 Administration is overseeing the Regional Technology and Innovation
8 Hubs, or "Tech Hubs", program, a competitive process to select 5 to 10
9 federally designated Tech Hubs across the country, with \$500 million in
10 appropriated funding available in 2024 and up to \$10 billion over 5 years;

11 (b) In October 2023, the federal government announced that
12 Colorado was successful in its bid pursuing a regional Phase 1 Tech Hub
13 designation, enabling the state to compete for new funds to develop the

1 quantum technology industry; the Tech Hub bid is led by a Colorado-led
2 nonprofit consisting of a consortium of over 70 member organizations
3 across Colorado, New Mexico, and Wyoming aiming to maintain the
4 Mountain West as the nation's leading quantum ecosystem;

5 (c) Colorado is currently competing nationally for the Tech Hubs
6 program's Phase 2 Tech Hub designation and accompanying grant for
7 quantum technology. If successful, Colorado will secure the federal
8 funding necessary to develop a global hub for the quantum technology
9 ecosystem, including quantum computing, sensing, networking, and
10 enabling hardware.

11 (d) Colorado is deeply committed to ensuring that all residents of
12 the state have equitable access to high-quality careers, and maintains that
13 the state's economy and social well-being is greatly strengthened when
14 investments in industries assist to create and retain high-road,
15 family-sustaining jobs;

16 (e) The federal Tech Hubs program requires the development of
17 robust workforce development programs in partnership with training
18 providers, educational institutions, and labor and community
19 organizations, requires that programs align with the "Good Jobs
20 Principles" established by the United States department of labor and
21 United States department of commerce, and requires that programs
22 demonstrate how workforce development organizations and organizations
23 representing workers, including labor organizations and federations, will
24 collaborate within the Tech Hub to increase job quality and the quantity
25 of good jobs in the selected core technology areas;

26 (f) Colorado is internationally recognized for its contributions to
27 quantum physics and is home to 4 winners of the Nobel Prize in Physics

1 for quantum breakthroughs that shifted global understanding in the field;

2 (g) Colorado has more quantum startups, deployed quantum
3 technology, private sector investments in quantum technology employees
4 working for quantum companies, and overall economic output within the
5 quantum industry than any other state;

6 (h) Colorado's quantum technology industry has fostered a 40%
7 increase in the number of patents secured in the state over the last 10
8 years and a 545% increase in the total third-party funding amount directed
9 to quantum companies in the state over the last 15 years;

10 (i) Establishing Colorado as the global hub for quantum
11 technology will result in an economic impact of more than \$1 billion
12 statewide and over 10,000 high-quality jobs from the Phase 2 Tech Hub
13 designation alone, but state support will be essential in obtaining this
14 federal money;

15 (j) Colorado's quantum technology industry has garnered
16 international recognition for its groundbreaking achievements,
17 positioning the state as a leader in quantum research, development, and
18 innovation; and

19 (k) The collaborative efforts of higher education institutions,
20 industry, and government agencies have played a pivotal role in nurturing
21 Colorado's quantum technology ecosystem, fostering an environment
22 conducive to research advancements, technology deployment to improve
23 the quality of life, and economic prosperity for Colorado and our global
24 community.

25 (2) The general assembly further finds and declares that the tax
26 incentives provided in this act will strengthen the growing and
27 competitive position of Colorado as a Tech Hub for quantum technology

1 and will enable the state to continue its exemplary achievements and
2 strategic initiatives in quantum technology.

3 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-560 and
4 39-22-561 as follows:

5 **39-22-560. Tax credit for investments in fixed capital assets**
6 **for a shared quantum facility - tax preference performance statement**

7 **- definitions - repeal. (1) Tax preference performance statement.** IN
8 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
9 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
10 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
11 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

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

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

16 (II) TO IMPROVE INDUSTRY COMPETITIVENESS;

17 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
18 ALLOWED BY THIS SECTION IS TO INDUCE A QUALIFIED APPLICANT TO
19 INVEST IN FIXED CAPITAL ASSETS TO CREATE A HUB THAT IS A SHARED
20 QUANTUM FACILITY THAT ACCOMPLISHES TRANSLATIONAL RESEARCH AND
21 INCUBATION, LOW-VOLUME MANUFACTURING AND FABRICATION AND
22 RAPID PROTOTYPING IN A LABORATORY ENVIRONMENT AND TO PROVIDE
23 RELATED SERVICES TO SUPPORT THE DEVELOPMENT OF QUANTUM
24 BUSINESSES AND THE QUANTUM ECOSYSTEM IN THE STATE; AND

25 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
26 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSES
27 SPECIFIED IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION BASED ON

1 THE INFORMATION REPORTED BY THE OFFICE PURSUANT TO SUBSECTION
2 (11) OF THIS SECTION.

3 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
4 OTHERWISE REQUIRES:

5 (a) "CONSORTIUM" MEANS A GROUP OF NONPROFIT OR FOR-PROFIT
6 ENTITIES, OR BOTH, THAT ARE JOINTLY MAKING QUALIFYING INVESTMENTS
7 IN AN ELIGIBLE PROJECT TO CREATE AND OPERATE A SHARED QUANTUM
8 FACILITY. A CONSORTIUM MAY INCLUDE ONE OR MORE MEMBERS EXEMPT
9 FROM TAX PURSUANT TO SECTION 39-22-112.

10 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

11 (c) "ELIGIBLE PROJECT" MEANS A CAPITAL PROJECT UNDERTAKEN
12 IN THE STATE TO CREATE A SHARED QUANTUM FACILITY FOR WHICH A
13 QUALIFIED APPLICANT MAKES QUALIFYING INVESTMENTS AND THAT IS
14 APPROVED BY THE OFFICE IN ACCORDANCE WITH THE POLICIES,
15 PROCEDURES, AND GUIDELINES FOR THE IMPLEMENTATION AND
16 ADMINISTRATION OF THE TAX CREDIT ALLOWED BY THIS SECTION ADOPTED
17 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

18 (d) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
19 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

20 (e) (I) "QUALIFIED APPLICANT" MEANS A NONPROFIT OR
21 FOR-PROFIT ENTITY THAT SUBMITS AN APPLICATION FOR THE RESERVATION
22 AND ISSUANCE OF TAX CREDITS TO THE OFFICE PURSUANT TO THIS
23 SECTION. AN APPLICANT MAY BE A CONSORTIUM AS SET FORTH IN
24 SUBSECTION (4) OF THIS SECTION.

25 (II) A "QUALIFIED APPLICANT" INCLUDES A PERSON THAT IS
26 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112.

27 (f) (I) "QUALIFYING FIXED CAPITAL ASSETS" MEANS:

1 (A) LAND IN THIS STATE;

2 (B) BUILDINGS, FIXTURES, AND OTHER STRUCTURAL COMPONENTS
3 OF BUILDINGS IN THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS
4 ALLOWED A DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF
5 THE INTERNAL REVENUE CODE, INCLUDING PURCHASING OR
6 CONSTRUCTING A FACILITY, RENOVATING A FACILITY, MAKING TENANT
7 IMPROVEMENTS, FUNDING A CAPITAL LEASE, CAPITALIZED LABOR,
8 CONSTRUCTION, AND INSTALLATION COSTS;

9 (C) TANGIBLE PERSONAL PROPERTY ACQUIRED FOR USE
10 EXCLUSIVELY IN THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS
11 ALLOWED A DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF
12 THE INTERNAL REVENUE CODE, INCLUDING FURNITURE, FIXTURES AND
13 EQUIPMENT SUCH AS OUTFITTING AN OFFICE, LABORATORY MACHINES,
14 REFRIGERATION, HVAC SYSTEMS, PIPING, MEASURING, MONITORING AND
15 INSTRUMENTATION EQUIPMENT, FABRICATION MACHINES, TOOLS AND
16 EQUIPMENT, AND ANY HARDWARE AND SOFTWARE DEVELOPED BY THIRD
17 PARTIES NECESSARY FOR QUANTUM TECHNOLOGY APPLICATIONS; AND

18 (D) COMPUTER SOFTWARE ACQUIRED FOR USE EXCLUSIVELY IN
19 THIS STATE FOR WHICH THE QUALIFIED APPLICANT IS ALLOWED A
20 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE
21 INTERNAL REVENUE CODE.

22 (II) "QUALIFYING FIXED CAPITAL ASSETS" IS LIMITED TO PROPERTY
23 ACQUIRED, CONSTRUCTED, RECONSTRUCTED, OR ERECTED AS PART OF A
24 COORDINATED PLAN TO CREATE A SHARED QUANTUM FACILITY.

25 (III) FOR PURPOSES OF THIS SUBSECTION (2)(f), IF A QUALIFIED
26 APPLICANT IS NOT SUBJECT TO FEDERAL INCOME TAX, THE QUALIFIED
27 APPLICANT IS DEEMED TO BE ALLOWED A DEDUCTION FOR DEPRECIATION

1 IF SUCH A DEDUCTION WOULD HAVE BEEN ALLOWED WERE THE QUALIFIED
2 APPLICANT SUBJECT TO FEDERAL INCOME TAX.

3 (IV) "QUALIFYING FIXED CAPITAL ASSETS" SHALL BE ACQUIRED,
4 CONSTRUCTED, RECONSTRUCTED, OR ERECTED WHERE POSSIBLE BY A
5 CERTIFIED CONTRACTOR ON A CERTIFIED CONTRACTOR LIST THAT IS
6 OBTAINED FROM THE COLORADO DEPARTMENT OF LABOR AND
7 EMPLOYMENT AND THAT CONTAINS THE INFORMATION SPECIFIED IN
8 SECTION 40-3.2-105.6 (3)(a).

9 (g) "QUALIFYING INVESTMENT" MEANS THE AMOUNT PAID BY A
10 QUALIFIED APPLICANT TO ACQUIRE, CONSTRUCT, RECONSTRUCT, OR ERECT
11 QUALIFYING FIXED CAPITAL ASSETS TO THE EXTENT SUCH AMOUNT IS
12 REQUIRED TO BE CAPITALIZED PURSUANT TO THE INTERNAL REVENUE
13 CODE OR SUCH AMOUNT IS ALLOWED TO BE DEDUCTED UNDER SECTION 179
14 OF THE INTERNAL REVENUE CODE. "QUALIFYING INVESTMENT" INCLUDES
15 AN AMOUNT CAPITALIZED BY A LESSEE OF QUALIFYING FIXED CAPITAL
16 ASSETS FOR A LEASE THAT IS TREATED AS A SALE FOR FEDERAL INCOME
17 TAX PURPOSES.

18 (h) "QUANTUM BUSINESS" MEANS A PRIVATE FOR-PROFIT TRADE
19 OR BUSINESS OR NONPROFIT ORGANIZATION THAT HAS QUANTUM
20 TECHNOLOGY AS A KEY PART OF ITS BUSINESS MODEL OR ORGANIZATIONAL
21 PURPOSE, INCLUDING BUT NOT LIMITED TO MANUFACTURING, TESTING,
22 PRODUCTION, RESEARCH AND DEVELOPMENT, OR ENHANCEMENT OF
23 HARDWARE OR SOFTWARE TO PERFORM OR USE QUANTUM TECHNOLOGY
24 AS A KEY INPUT OR OUTPUT OF ITS BUSINESS MODEL, AND COMPANIES
25 THAT PRODUCE GOODS OR SERVICES THAT ARE KEY INPUTS FOR OTHER
26 QUANTUM BUSINESS.

27 (i) "SHARED QUANTUM FACILITY" MEANS A PRIMARY PLACE IN THE

1 STATE WHERE AN APPLICANT PERFORMS ACTIVITIES AND PROVIDES
2 ECONOMIC BENEFITS RELATED TO SUPPORTING QUANTUM BUSINESSES AND
3 THE QUANTUM ECOSYSTEM.

4 (3) **Credit allowed.** (a) SUBJECT TO THE PROVISIONS OF
5 SUBSECTION (3)(c) OF THIS SECTION, FOR INCOME TAX YEARS
6 COMMENCING ON OR AFTER JANUARY 1, 2025, BUT PRIOR TO JANUARY 1,
7 2033, A QUALIFIED APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME
8 TAXES IMPOSED BY THIS ARTICLE 22 FOR PLACING AN ELIGIBLE PROJECT IN
9 SERVICE IN AN AMOUNT SPECIFIED ON THE CREDIT CERTIFICATE ISSUED BY
10 THE OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION.

11 (b) TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION,
12 THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION FOR A TAX
13 CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION,
14 PLACE THE ELIGIBLE PROJECT IN SERVICE PRIOR TO JANUARY 1, 2031,
15 OBTAIN A TAX CREDIT CERTIFICATE FROM THE OFFICE AS SPECIFIED IN
16 SUBSECTION (7) OF THIS SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE
17 THE TAX CREDIT CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME
18 TAX RETURN AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION.

19 (c) THE TAX CREDIT CREATED IN THIS SECTION IS NOT ALLOWED TO
20 ANY QUALIFIED APPLICANT UNLESS A COLORADO-BASED ENTITY RECEIVES
21 A MULTI-MILLION DOLLAR FEDERAL GRANT FROM THE ECONOMIC
22 DEVELOPMENT ADMINISTRATION FOR THE REGIONAL TECHNOLOGY AND
23 INNOVATION PROGRAM OR A COMPARABLE FEDERAL GRANT PROGRAM.
24 THE OFFICE SHALL NOTIFY THE DEPARTMENT IF A GRANT SPECIFIED IN THIS
25 SUBSECTION (3)(c) IS RECEIVED.

26 (4) **Consortium as qualified applicant - tax matters**
27 **representative.** IF A QUALIFIED APPLICANT IS A CONSORTIUM:

1 (a) THE BASIS OF THE CREDIT ALLOWED BY THIS SECTION INCLUDES
2 THE AGGREGATE QUALIFYING INVESTMENT BY ALL THE MEMBERS OF THE
3 CONSORTIUM AS DESCRIBED IN SUBSECTION (7)(a)(II) OF THIS SECTION.

4 (b) WHETHER THE APPLICANT PERFORMS THE ACTIVITIES AND
5 PROVIDES THE ECONOMIC BENEFITS RELATED TO QUANTUM BUSINESS IS
6 BASED UPON THE ACTIVITIES PERFORMED BY AND THE BENEFITS PROVIDED
7 BY ALL THE MEMBERS OF THE CONSORTIUM.

8 (c) THE MEMBERS OF THE CONSORTIUM SHALL DESIGNATE ONE
9 MEMBER TO BE THE TAX MATTERS REPRESENTATIVE. THE TAX MATTERS
10 REPRESENTATIVE SHALL DISCLOSE TO THE OFFICE THAT IT IS THE TAX
11 MATTERS REPRESENTATIVE ACTING ON BEHALF OF THE CONSORTIUM. THE
12 TAX MATTERS REPRESENTATIVE SHALL ALSO DISCLOSE TO THE OFFICE THE
13 NAME AND TAXPAYER IDENTIFICATION NUMBER OF EACH MEMBER OF THE
14 CONSORTIUM.

15 (d) THE TAX MATTERS REPRESENTATIVE IS RESPONSIBLE FOR
16 REPRESENTING AND BINDING THE CONSORTIUM WITH RESPECT TO ALL
17 ISSUES AFFECTING THE CREDIT, INCLUDING SUBMITTING THE APPLICATION
18 FOR A TAX CREDIT RESERVATION, REPRESENTING THE CONSORTIUM
19 BEFORE THE OFFICE WITH RESPECT TO THE APPLICATION, NOTIFYING THE
20 OFFICE THAT THE ELIGIBLE PROJECT HAS BEEN PLACED IN SERVICE,
21 SUBMITTING PROOF OF COMPLIANCE, SUBMITTING ONGOING COMPLIANCE
22 REPORTS, SUBMITTING ANY OTHER REPORT OR DOCUMENT REQUIRED BY
23 THE OFFICE OR THE DEPARTMENT, ADJUDICATING ANY DISPUTES, AND
24 TAKING ANY OTHER ACTION REQUIRED OF A QUALIFIED APPLICANT BY THIS
25 SECTION. THE ACTS OF THE TAX MATTERS REPRESENTATIVE ARE BINDING
26 UPON ALL MEMBERS OF THE CONSORTIUM.

27 (e) THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE TO, AND

1 IN THE NAME OF, THE TAX MATTERS REPRESENTATIVE. THE TAX MATTERS
2 REPRESENTATIVE SHALL FILE THE RETURN AND CLAIM THE FULL AMOUNT
3 OF THE TAX CREDIT PURSUANT TO SUBSECTION (8) OF THIS SECTION. THE
4 DEPARTMENT SHALL PAY ANY AMOUNT REFUNDED PURSUANT TO
5 SUBSECTION (9) OF THIS SECTION TO THE TAX MATTERS REPRESENTATIVE.

6 (f) IF THE CREDIT ALLOWED BY THIS SECTION IS RECAPTURED
7 PURSUANT TO SUBSECTION (10) OF THIS SECTION, THE TAX MATTERS
8 REPRESENTATIVE SHALL ADD THE RECAPTURED CREDIT, PLUS ANY
9 APPLICABLE PENALTIES AND INTEREST, TO ITS RETURN. NEVERTHELESS,
10 EVERY MEMBER OF THE CONSORTIUM IS JOINTLY AND SEVERALLY LIABLE
11 FOR ANY RESULTING DEFICIENCY.

12 (5) **Application submission and review for tax credit**
13 **reservation.** (a) AN APPLICANT MAY SUBMIT AN APPLICATION FOR A TAX
14 CREDIT RESERVATION TO THE OFFICE ON OR AFTER JANUARY 1, 2024, BUT
15 NO LATER THAN DECEMBER 31, 2025; EXCEPT THAT IF THE FEDERAL
16 GOVERNMENT HAS NOT ANNOUNCED THE GRANT RECIPIENT DESCRIBED IN
17 SUBSECTION (3)(c) OF THIS SECTION BY JUNE 30, 2025, THE OFFICE MAY
18 EXTEND THE APPLICATION DEADLINE TO NO MORE THAN SIX MONTHS
19 AFTER AN ANNOUNCEMENT THAT A COLORADO-BASED ENTITY HAS
20 RECEIVED THE GRANT DESCRIBED IN SUBSECTION (3)(c) OF THIS SECTION.
21 THE APPLICATION SHALL INCLUDE A PROJECT PLAN FOR A SHARED
22 QUANTUM FACILITY.

23 (b) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS FOR
24 A TAX CREDIT RESERVATION TO:

25 (I) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED
26 APPLICANT;

27 (II) DETERMINE WHETHER THE APPLICATION FOR A TAX CREDIT

1 RESERVATION IS COMPLETE AND INCLUDES A PLAN TO MAKE INVESTMENTS
2 IN QUALIFYING FIXED CAPITAL ASSETS FOR THE CREATION OF A SHARED
3 QUANTUM FACILITY;

4 (III) MAKE A PRELIMINARY DETERMINATION WHETHER THE
5 PROJECT PLAN FOR A SHARED QUANTUM FACILITY IS FOR AN ELIGIBLE
6 PROJECT BASED ON THE POLICIES AND PROCEDURES DEVELOPED BY THE
7 OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION; AND

8 (IV) DETERMINE WHETHER THE ELIGIBLE PROJECT IS ENTITLED TO
9 A TAX CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (6) OF THIS
10 SECTION.

11 (c) THE OFFICE SHALL MAKE THE DETERMINATIONS SPECIFIED IN
12 SUBSECTION (5)(b) OF THIS SECTION WITHIN NINETY DAYS OF THE DATE
13 THE OFFICE RECEIVES THE COMPLETE APPLICATION FOR A TAX CREDIT
14 RESERVATION.

15 (d) IF THE OFFICE DETERMINES THAT AN APPLICATION FOR A TAX
16 CREDIT RESERVATION IS INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE
17 DETERMINATION SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, THE
18 OFFICE SHALL NOTIFY THE APPLICANT IN WRITING OF THE OFFICE'S
19 DECISION AND MAY REMOVE THE APPLICATION FOR A TAX CREDIT
20 RESERVATION FROM THE REVIEW PROCESS.

21 (e) AS PART OF THE APPLICATION REVIEW PROCESS REQUIRED
22 PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION, THE OFFICE MAY
23 REQUEST CLARIFICATIONS AND MODIFICATIONS TO THE APPLICATION.

24 (f) THE OFFICE MAY INCLUDE PERFORMANCE REQUIREMENTS AND
25 CRITERIA THAT A QUALIFIED APPLICANT IS REQUIRED TO SATISFY BEFORE
26 THE OFFICE WILL ISSUE A TAX CREDIT RESERVATION PURSUANT TO
27 SUBSECTION (6) OF THIS SECTION OR A TAX CREDIT CERTIFICATE PURSUANT

1 TO SUBSECTION (7) OF THIS SECTION. THE OFFICE MUST DOCUMENT IN
2 WRITING ANY REQUIREMENTS CREATED PURSUANT TO THIS SUBSECTION
3 (5)(f).

4 (6) **Tax credit reservation.** (a) BASED ON THE FACTORS SPECIFIED
5 IN SUBSECTION (6)(d) OF THIS SECTION, THE OFFICE MAY DETERMINE THAT
6 A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT RESERVATION IN
7 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE OFFICE SHALL
8 ISSUE TAX CREDIT RESERVATIONS SUBJECT TO THE LIMITATIONS SET FORTH
9 IN THIS SUBSECTION (6) AND IN ACCORDANCE WITH THE POLICIES AND
10 PROCEDURES ESTABLISHED PURSUANT TO SUBSECTION (12) OF THIS
11 SECTION.

12 (b) IF THE OFFICE RESERVES A TAX CREDIT FOR THE BENEFIT OF A
13 QUALIFIED APPLICANT, THE OFFICE SHALL NOTIFY THE QUALIFIED
14 APPLICANT IN WRITING OF THE RESERVATION AND THE AMOUNT RESERVED.
15 THE RESERVATION OF A TAX CREDIT BY THE OFFICE FOR A QUALIFIED
16 APPLICANT DOES NOT ENTITLE THE QUALIFIED APPLICANT TO ISSUANCE OF
17 A CREDIT CERTIFICATE UNTIL THE QUALIFIED APPLICANT COMPLIES WITH
18 ALL THE OTHER REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE
19 ISSUANCE OF THE TAX CREDIT. WHEN THE OFFICE APPROVES A TAX CREDIT
20 RESERVATION, THE OFFICE MAY ALSO IMPOSE ADDITIONAL REQUIREMENTS,
21 WHICH A QUALIFIED APPLICANT SHALL SATISFY AS PART OF COMPLETING
22 THE QUALIFYING INVESTMENT, BEFORE A TAX CREDIT CERTIFICATE IS
23 ISSUED TO THE QUALIFIED APPLICANT.

24 (c) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (6)(c), IF
25 APPROVED, THE OFFICE MAY ISSUE A TAX CREDIT RESERVATION TO A
26 QUALIFIED APPLICANT FOR AN ELIGIBLE PROJECT IN AN AMOUNT EQUAL TO
27 THE QUALIFIED APPLICANT'S ESTIMATED QUALIFYING INVESTMENT.

1 (II) THE AGGREGATE AMOUNT OF ALL FIXED ASSET INVESTMENT
2 TAX CREDIT RESERVATIONS THAT THE OFFICE MAY ISSUE PURSUANT TO
3 THIS SECTION MUST NOT EXCEED FORTY-FOUR MILLION DOLLARS.

4 (III) THE OFFICE MAY ESTABLISH POLICIES AND PROCEDURES TO
5 CAP THE TOTAL AMOUNT OF ANY TAX CREDIT RESERVATION ISSUED TO A
6 QUALIFIED APPLICANT PURSUANT TO THIS SUBSECTION (6).

7 (d) IN MAKING THE FINAL DETERMINATION OF WHICH PROJECT
8 PLAN TO ISSUE TAX RESERVATIONS TO PURSUANT TO THIS SUBSECTION (6),
9 THE OFFICE MAY PRIORITIZE A PROJECT PLAN THAT:

10 (I) IS SUBMITTED BY A QUALIFIED APPLICANT THAT IS A
11 CONSORTIUM THAT INCLUDES THE FOLLOWING OR IS SUBMITTED BY A
12 QUALIFIED APPLICANT THAT IS NOT A CONSORTIUM AND THAT
13 COLLABORATES WITH THE FOLLOWING:

14 (A) A NONPROFIT ENTITY CREATED BY INSTITUTIONS OF HIGHER
15 EDUCATION OF HIGH RESEARCH ACTIVITY, CLASSIFIED AS R1 UNIVERSITIES,
16 LED BY A PUBLIC R1 UNIVERSITY WITH A DEMONSTRATED HISTORY OF
17 QUANTUM-RELATED RESEARCH AND INVESTMENT IN COLORADO; AND

18 (B) A NONPROFIT ENTITY THAT HAS RECEIVED A SUBSTANTIAL
19 FEDERAL AWARD FOR THE PURPOSES OF CULTIVATING AND EXPANDING A
20 QUANTUM-RELATED ECOSYSTEM WITHIN COLORADO;

21 (II) IS SUBMITTED BY A QUALIFIED APPLICANT THAT
22 DEMONSTRATES AN ABILITY TO MEET APPLICATION REQUIREMENTS
23 DESIGNATED BY THE OFFICE, INCLUDING:

24 (A) THE SUBMISSION OF A BUDGET FOR THE PROJECT PLAN THAT
25 INCLUDES THE SOURCES OF FUNDING FOR THE PROJECT AND ANTICIPATED
26 USES OF THE FUNDING; ■■■

27 (B) THE SUBMISSION OF AN EXPLANATION FOR THE WAYS IN WHICH

1 THE SHARED QUANTUM FACILITY WILL BE USED AND HOW IT WILL BENEFIT
2 THE QUANTUM INDUSTRY IN THIS STATE; AND

3 (C) THE SUBMISSION OF A COMMUNITY BENEFITS PLAN DEVELOPED
4 BY A NONPROFIT ENTITY DESCRIBED IN SUBSECTION (6)(d)(I)(B) OF THIS
5 SECTION, THROUGH ENGAGEMENT WITH THE COMMUNITY SURROUNDING
6 THE SHARED QUANTUM FACILITY;

7 (III) IS SUBMITTED BY A QUALIFIED APPLICANT THAT:

8 (A) DEMONSTRATES THAT THE PROJECT PLAN IS AGREED UPON BY
9 THE ENTITIES DESCRIBED IN SUBSECTIONS (6)(d)(I)(A) AND (6)(d)(I)(B) OF
10 THIS SECTION;

11 (B) DEMONSTRATES AN INTENT TO EQUITABLY AND EFFECTIVELY
12 DISTRIBUTE THE TAX CREDITS OR THE REFUND PROCEEDS OF THE TAX
13 CREDIT;

14 (C) DEMONSTRATES AN INTENT TO LEVERAGE THE PROCEEDS OF
15 THE REFUNDABLE TAX CREDIT PURSUANT TO THIS SECTION FOR THE
16 PURPOSE OF CREATING AND FINANCING A SHARED QUANTUM FACILITY TO
17 ACCOMPLISH THE GOALS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION;

18 (D) INCLUDES A SUMMARY OF ANY THIRD-PARTY RESOURCES
19 APART FROM THE TAX CREDITS ALLOWED PURSUANT TO THIS SECTION
20 THAT WILL BE USED TO CREATE OR FINANCE THE SHARED QUANTUM
21 FACILITY; AND

22 (E) INCLUDES A PROPOSED COLLABORATION PLAN THAT OUTLINES
23 THE OPERATIONAL AND GOVERNANCE PLAN FOR THE SHARED QUANTUM
24 FACILITY;

25 (IV) PROPOSES A SUITABLE LOCATION FOR THE SHARED QUANTUM
26 FACILITY; AND

27 (V) IS MADE BY A QUALIFIED APPLICANT THAT IS A

1 NEWLY-CREATED NONPROFIT ORGANIZATION DEDICATED TO THE PURPOSE
2 OF PROMOTING THE QUANTUM ECOSYSTEM AND ITS COMMERCIAL
3 GROWTH.

4 (e) AS PART OF THE TAX CREDIT RESERVATION PROCESS PURSUANT
5 TO THIS SUBSECTION (6), THE OFFICE MAY REQUEST CLARIFICATIONS OR
6 MODIFICATIONS TO THE APPLICATION SUBMITTED PURSUANT TO
7 SUBSECTION (5) OF THIS SECTION.

8 (f) THE APPLICANT, AT THE APPLICANT'S OWN RISK, MAY BEGIN
9 MAKING INVESTMENTS IN QUALIFYING FIXED CAPITAL ASSETS BEFORE A
10 TAX CREDIT RESERVATION IS AWARDED TO THE QUALIFIED APPLICANT
11 PURSUANT TO THIS SUBSECTION (6). IF A TAX CREDIT RESERVATION
12 APPLICATION IS APPROVED FOR A QUALIFIED APPLICANT, INVESTMENTS IN
13 QUALIFYING FIXED CAPITAL ASSETS THAT THE QUALIFIED APPLICANT MADE
14 UP TO TWELVE MONTHS BEFORE THE DATE THE TAX CREDIT RESERVATION
15 WAS SUBMITTED MAY BE INCLUDED IN THE CALCULATION OF QUALIFYING
16 FIXED CAPITAL ASSETS FOR THE PURPOSE OF DETERMINING THE AMOUNT
17 OF THE TAX CREDIT CERTIFICATE ISSUED PURSUANT TO SUBSECTION (7) OF
18 THIS SECTION.

19 (7) **Proof of compliance - audit of qualifying investments**
20 **certification - issuance of tax credit certificate.** (a) (I) AFTER A
21 QUALIFIED APPLICANT COMPLETES A PROJECT OR A PHASE OF A PROJECT,
22 THE QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE PROJECT
23 OR PHASE OF THE PROJECT HAS BEEN PLACED IN SERVICE AND SHALL
24 CERTIFY THE TYPES AND AMOUNT OF THE QUALIFYING INVESTMENTS AND
25 HOW THE INVESTMENTS WERE USED IN AN ELIGIBLE PROJECT, AFTER WHICH
26 THE OFFICE SHALL MAKE A FINAL DETERMINATION AS TO WHETHER THE
27 PROJECT IS AN ELIGIBLE PROJECT. THE APPLICANT SHALL INCLUDE A

1 REVIEW OF THE CERTIFICATION BY A LICENSED CERTIFIED PUBLIC
2 ACCOUNTANT THAT IS NOT AFFILIATED WITH THE QUALIFIED APPLICANT
3 THAT ALIGNS WITH OFFICE POLICIES FOR CERTIFICATION OF QUALIFYING
4 INVESTMENTS. THE APPLICANT SHALL ALSO CERTIFY AND PROVIDE
5 DOCUMENTS DEMONSTRATING THAT THE APPLICANT SATISFIED ANY
6 ADDITIONAL REQUIREMENTS IMPOSED BY THE OFFICE PURSUANT TO
7 SUBSECTIONS (6) AND (12) OF THIS SECTION.

8 (II) QUALIFYING INVESTMENT EXPENDITURES THAT ARE ELIGIBLE
9 FOR THE TAX CREDIT ALLOWED PURSUANT TO THIS SECTION MAY BE MADE
10 BY THE APPLICANT, MEMBERS OF A CONSORTIUM, IF APPLICABLE, OR
11 OTHER ENTITIES CONTRACTED TO MAKE THE EXPENDITURES ON BEHALF OF
12 THE APPLICANT OR MEMBERS OF A CONSORTIUM AS PART OF A
13 COORDINATED PLAN TO CREATE THE SHARED QUANTUM FACILITY. THE
14 SOURCE OF MONEY FOR THE QUALIFYING INVESTMENT EXPENDITURES
15 THAT ARE ELIGIBLE FOR THE TAX CREDIT CAN BE FROM ANY SOURCE OF
16 MONEY THAT THE APPLICANT OR MEMBERS OF A CONSORTIUM OR OTHER
17 ENTITIES HAVE AVAILABLE FOR MAKING THE INVESTMENTS.

18 (III) WITHIN NINETY DAYS AFTER RECEIPT OF THE COMPLETE
19 DOCUMENTATION REQUIRED IN SUBSECTION (7)(a)(I) OF THIS SECTION
20 FROM THE QUALIFIED APPLICANT, THE OFFICE SHALL REVIEW THE
21 QUALIFIED APPLICANT'S DOCUMENTATION OF CERTIFIED QUALIFYING
22 INVESTMENTS, DETERMINE WHETHER THE DOCUMENTATION SATISFIES THE
23 PROJECT PLAN AND OTHER REQUIREMENTS, AND, IF THE OFFICE
24 DETERMINES THAT THE DOCUMENTATION SATISFIES THE PROJECT PLAN
25 AND OTHER REQUIREMENTS, THE OFFICE SHALL ISSUE A TAX CREDIT
26 CERTIFICATE FOR THE LESSER OF THE AMOUNT SPECIFIED IN THE TAX
27 CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT PURSUANT TO

1 SUBSECTION (6) OF THIS SECTION OR THE AMOUNT OF THE QUALIFYING
2 INVESTMENT.

3 (b) IF THERE ARE ANY UNRESERVED AMOUNTS OF TAX CREDITS
4 AVAILABLE UNDER SUBSECTION (6) OF THIS SECTION, AND IF THE AMOUNT
5 OF CERTIFIED QUALIFYING INVESTMENTS INCURRED BY THE QUALIFIED
6 APPLICANT WOULD HAVE RESULTED IN THE QUALIFIED APPLICANT BEING
7 ISSUED A TAX CREDIT CERTIFICATE THAT EXCEEDS THE AMOUNT OF THE
8 TAX CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT, THE
9 QUALIFIED APPLICANT MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN
10 ADDITIONAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE
11 DIFFERENCE BETWEEN THE AMOUNT THAT WOULD HAVE BEEN ISSUED AS
12 A RESULT OF THE CERTIFIED QUALIFYING INVESTMENTS IF THAT AMOUNT
13 WAS NOT LIMITED TO THE AMOUNT OF THE TAX CREDIT RESERVATION
14 PURSUANT TO SUBSECTION (7)(a)(III) OF THIS SECTION AND THE AMOUNT
15 OF THE TAX CREDIT RESERVATION BY SUBMITTING AN APPLICATION IN A
16 FORM AND MANNER DETERMINED BY THE OFFICE. THE OFFICE SHALL
17 REVIEW THE APPLICATION AS SPECIFIED IN SUBSECTION (5) OF THIS
18 SECTION AND, IF APPROVED, SHALL ISSUE A SEPARATE TAX CREDIT
19 CERTIFICATE AWARDING THE QUALIFIED APPLICANT THE ADDITIONAL
20 CREDIT.

21 (c) THE FIRST APPLICATION FOR TAX CREDIT ISSUANCE MAY
22 INCLUDE QUALIFYING INVESTMENTS FOR THE ENTIRE ELIGIBLE PROJECT OR
23 JUST THE INITIAL PHASE AND MUST BE SUBMITTED BY THE QUALIFIED
24 APPLICANT NO LATER THAN DECEMBER 31, 2028.

25 (d) A QUALIFIED APPLICANT MAY SUBMIT ADDITIONAL
26 APPLICATIONS FOR TAX CREDIT ISSUANCE PURSUANT TO THIS SUBSECTION
27 (7) AS THE QUALIFIED APPLICANT COMPLETES ADDITIONAL PHASES OF THE

1 PROJECT THAT ARE PLACED IN SERVICE. THE QUALIFIED APPLICANT MAY
2 SUBMIT SUCH APPLICATIONS THROUGH DECEMBER 31, 2030, AND UP TO
3 THE AMOUNT OF TAX CREDITS RESERVED BY THE APPLICANT.

4 (8) **Filing tax credit certificate with income tax return.** (a) To
5 CLAIM THE CREDIT AUTHORIZED BY THIS SECTION, A QUALIFIED APPLICANT
6 SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE OFFICE
7 PURSUANT TO SUBSECTION (7) OF THIS SECTION WITH THE QUALIFIED
8 APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED APPLICANT IS
9 EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1), THE QUALIFIED
10 APPLICANT SHALL FILE A RETURN PURSUANT TO SECTION 39-22-601 (7)(b).
11 THE AMOUNT OF THE TAX CREDIT THAT A QUALIFIED APPLICANT MAY
12 CLAIM PURSUANT TO THIS SECTION IS THE AMOUNT STATED ON THE TAX
13 CREDIT CERTIFICATE.

14 (b) A QUALIFIED APPLICANT MAY NOT USE A TAX CREDIT
15 CERTIFICATE ISSUED PURSUANT TO THIS SUBSECTION (8) BEFORE THE
16 INCOME TAX YEAR THAT BEGINS ON OR AFTER JANUARY 1, 2026, BUT
17 MUST USE THE TAX CREDIT CERTIFICATE BEFORE THE LAST INCOME TAX
18 YEAR THAT COMMENCES BEFORE JANUARY 1, 2033.

19 (c) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A
20 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE
21 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,
22 MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A
23 PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR
24 PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
25 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION
26 METHOD.

27 (9) **Refundability.** (a) EXCEPT AS OTHERWISE PROVIDED IN

1 SUBSECTION (9)(b) OF THIS SECTION, NOT MORE THAN THE AGGREGATE OF
2 TWENTY-FOUR MILLION DOLLARS OF CREDITS TO BE ISSUED TO ALL
3 QUALIFIED APPLICANTS PURSUANT TO THIS SECTION MAY BE CLAIMED BY
4 THE QUALIFIED APPLICANTS IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE
5 PROJECT IS PLACED IN SERVICE. IF THE QUALIFIED APPLICANTS ARE ISSUED
6 MORE THAN AN AGGREGATE OF TWENTY-FOUR MILLION DOLLARS IN
7 CREDITS PURSUANT TO THIS SECTION, NOT MORE THAN TWENTY MILLION
8 DOLLARS OF THE TOTAL AMOUNT OF CREDITS TO BE ISSUED MAY BE
9 CLAIMED IN ANY SINGLE FUTURE TAXABLE YEAR; EXCEPT THAT CREDITS
10 MAY NOT BE CLAIMED FOR ANY INCOME TAX YEAR THAT BEGINS ON OR
11 AFTER JANUARY 1, 2033.

12 (b) IF THE AMOUNT OF THE CREDIT ALLOWED TO BE CLAIMED IN
13 THE APPLICABLE TAXABLE YEAR PURSUANT TO THIS SECTION EXCEEDS THE
14 AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE
15 QUALIFIED APPLICANT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT
16 IS BEING CLAIMED, OR THE QUALIFIED APPLICANT IS A PERSON WHO IS
17 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112 (1), ONE
18 HUNDRED PERCENT OF THE AMOUNT OF THE CREDIT THAT IS ALLOWED TO
19 BE CLAIMED FOR THE APPLICABLE TAX YEAR THAT IS NOT USED AS AN
20 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO
21 THE QUALIFIED APPLICANT.

22 (10) **Compliance monitoring and recapture.** (a) EXCEPT AS
23 PROVIDED IN SUBSECTION (10)(b) OF THIS SECTION, IF, DURING THE
24 COMPLIANCE PERIOD, THE QUALIFIED APPLICANT SELLS, TRANSFERS,
25 ABANDONS, OR REPURPOSES A SUBSTANTIAL PORTION OF THE QUALIFYING
26 FIXED CAPITAL ASSETS FOR WHICH THE QUALIFIED APPLICANT WAS
27 ALLOWED A CREDIT PURSUANT TO THIS SECTION, OR OTHERWISE CEASES

1 TO OPERATE THE SHARED QUANTUM FACILITY IN THIS STATE, THE OFFICE
2 SHALL NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT
3 THE CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE QUALIFIED
4 APPLICANT SHALL ADD THE FULL AMOUNT OF THE CREDIT THAT WAS
5 ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S INCOME TAX OR
6 REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN AS A
7 RECAPTURED CREDIT FOR THE TAXABLE YEAR IN WHICH THE CREDIT IS
8 DISALLOWED PURSUANT TO THIS SUBSECTION (10).

9 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO
10 SUBSECTION (10)(a) OF THIS SECTION DOES NOT APPLY IF:

11 (I) ALL OR PART OF THE SHARED QUANTUM FACILITY EXPERIENCES
12 A CASUALTY LOSS AND IF THE QUALIFYING FIXED CAPITAL ASSETS LOST
13 ARE RESTORED WITHIN A REASONABLE PERIOD ESTABLISHED BY THE
14 OFFICE;

15 (II) SOLELY BY REASON OF THE DISPOSITION OF LAND, A BUILDING,
16 A STRUCTURE, OR A FACILITY, OR AN INTEREST THEREIN, THE SHARED
17 QUANTUM FACILITY IS RELOCATED WITHIN THIS STATE TO A PROPERTY
18 APPROVED BY THE OFFICE; OR

19 (III) A QUALIFYING FIXED CAPITAL ASSET IS REPLACED OR
20 UPGRADED IN THE NORMAL COURSE OF ITS USE.

21 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS
22 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (10), INCLUDING
23 REQUIREMENTS REGARDING THE REPORTING OF A DISPOSITION OF A
24 BUILDING, STRUCTURE, OR FACILITY BY THE QUALIFIED APPLICANT.

25 (II) IF A DISPUTE ARISES ABOUT WHETHER A BUILDING,
26 STRUCTURE, OR FACILITY IS A SHARED QUANTUM FACILITY, THE OFFICE
27 SHALL ADJUDICATE THE DISPUTE AND NOTIFY THE DEPARTMENT OF THE

1 RESOLUTION.

2 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A BUILDING,
3 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IS DISPOSED OF
4 DURING ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, AND
5 THEREAFTER THE BUILDING, STRUCTURE, OR FACILITY OR ANY
6 REPLACEMENT FOR THE BUILDING, STRUCTURE, OR FACILITY IS NOT A
7 SHARED QUANTUM FACILITY, THEN:

8 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF
9 THE CREDIT TO ITS RETURN AS A RECAPTURED CREDIT FOR THE TAXABLE
10 YEAR IN WHICH THE CREDIT IS DISALLOWED PURSUANT TO THIS
11 SUBSECTION (10) NOTWITHSTANDING THE DISPOSITION OF THE BUILDING,
12 STRUCTURE, OR FACILITY;

13 (B) THE STATUTORY PERIOD FOR THE ASSESSMENT OF ANY
14 DEFICIENCY WITH RESPECT TO THE DISALLOWED CREDIT MUST NOT EXPIRE
15 BEFORE THE EXPIRATION OF THREE YEARS FROM THE DATE THE OFFICE IS
16 NOTIFIED, IN SUCH A MANNER AS THE OFFICE DETERMINES, THAT THE
17 PROJECT IS NOT AN ELIGIBLE PROJECT; AND

18 (C) THE DEPARTMENT SHALL ASSESS ANY DEFICIENCY BEFORE THE
19 EXPIRATION OF SUCH THREE-YEAR PERIOD TOGETHER WITH ANY
20 APPLICABLE INTEREST AND PENALTY IMPOSED PURSUANT TO THIS ARTICLE
21 22.

22 (d) AS USED IN THIS SUBSECTION (10), UNLESS THE CONTEXT
23 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF
24 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED
25 APPLICANT PLACED THE ELIGIBLE PROJECT OR THE INITIAL PHASE OF THE
26 ELIGIBLE PROJECT IN SERVICE.

27 (11) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2027, AND,

1 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO
2 LATER THAN DECEMBER 31 OF EACH TWO YEARS THEREAFTER THROUGH
3 2033, THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL
4 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE
5 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS
6 SECTION, THE REPORT MUST INCLUDE:

- 7 (I) A DESCRIPTION OF EACH ELIGIBLE PROJECT PLACED IN SERVICE;
- 8 (II) A DESCRIPTION OF THE USE OR USES OF THE ELIGIBLE PROJECT;
- 9 (III) THE NUMBER OF JOBS SUPPORTED IN THE QUANTUM INDUSTRY
10 AS A RESULT OF THE ELIGIBLE PROJECT;
- 11 (IV) THE NUMBER OF QUANTUM BUSINESSES THAT HAVE BEEN
12 SUPPORTED THROUGH THE ELIGIBLE PROJECT;
- 13 (V) AN OVERVIEW OF THE TYPES OF INTELLECTUAL PROPERTY
14 THAT HAVE BEEN ADVANCED THROUGH THE ELIGIBLE PROJECT; AND
- 15 (VI) THE AMOUNT OF FEDERAL MONEY THAT HAS BEEN AWARDED
16 TO THE ELIGIBLE FACILITY.

17 (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
18 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME
19 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH
20 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE
21 OFFICE ISSUES A TAX CREDIT CERTIFICATE FOR THE PRECEDING TAX YEAR
22 THAT INCLUDES THE FOLLOWING INFORMATION:

- 23 (I) THE QUALIFIED APPLICANT'S NAME;
- 24 (II) THE AMOUNT OF THE CREDIT; AND
- 25 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR
26 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL
27 EMPLOYER IDENTIFICATION NUMBER.

1 (12) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND
2 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO
3 FURTHER IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR THE
4 COMPLETION OF ELIGIBLE PROJECTS PURSUANT TO THIS SECTION AND
5 SHALL SOLICIT ADVICE FROM THE DEPARTMENT AND QUANTUM INDUSTRY
6 PARTICIPANTS IN CREATING AND MODIFYING SUCH POLICIES, PROCEDURES,
7 AND GUIDELINES.

8 (b) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION
9 AS TO WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT
10 PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION, THE OFFICE SHALL
11 DEVELOP STANDARDS THAT INCLUDE, BUT ARE NOT LIMITED TO:

12 (I) PERFORMANCE STANDARDS AND GUIDELINES FOR A SHARED
13 QUANTUM FACILITY;

14 (II) A DETAILED COST ESTIMATE FOR THE PROJECT PLAN;

15 (III) EVIDENCE OF SITE CONTROL OF THE SITE WHERE THE PROJECT
16 WILL OCCUR; AND

17 (IV) THE FINANCING OR FUNDING THAT IS AVAILABLE FOR THE
18 PROJECT PLAN.

19 (c) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION
20 AS TO WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT
21 PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION, THE OFFICE SHALL
22 CONSIDER JOB QUALITY STANDARDS AND GUIDELINES FOR THE SHARED
23 QUANTUM FACILITY THAT ADHERE TO THE "GOOD JOBS PRINCIPLES"
24 ESTABLISHED BY THE UNITED STATES DEPARTMENT OF LABOR AND
25 UNITED STATES DEPARTMENT OF COMMERCE.

26 (13) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER
27 31, 2050.

1 **39-22-561. Quantum business loan loss reserve income tax**
2 **credit - tax preference performance statement - definitions - repeal.**

3 **(1) Tax preference performance statement.** IN ACCORDANCE WITH
4 SECTION 39-21-304(1), WHICH REQUIRES EACH BILL THAT CREATES A NEW
5 TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
6 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
7 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

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

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

12 (II) TO IMPROVE INDUSTRY COMPETITIVENESS;

13 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
14 ALLOWED BY THIS SECTION IS TO SUPPORT AND FACILITATE THE
15 DEVELOPMENT OF THE QUANTUM BUSINESS ECOSYSTEM IN THE STATE BY
16 ENCOURAGING QUALIFIED APPLICANTS TO MAKE LOANS THAT THE
17 QUALIFIED APPLICANTS MIGHT NOT OTHERWISE MAKE OR AT MORE
18 FAVORABLE TERMS THAN THEY WOULD OTHERWISE MAKE TO BORROWERS
19 THAT HAVE LIMITED ACCESS TO CAPITAL; AND

20 (c) THE GENERAL ASSEMBLY AND STATE AUDITOR SHALL MEASURE
21 THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSES SPECIFIED
22 IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION BASED ON THE
23 INFORMATION REPORTED BY THE ADMINISTRATOR PURSUANT TO
24 SUBSECTION (11) OF THIS SECTION.

25 **(2) Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
26 OTHERWISE REQUIRES:

27 (a) "ADMINISTRATOR" MEANS THE OFFICE, A THIRD PARTY

1 SELECTED BY THE OFFICE, OR THE THIRD PARTY WORKING IN COMBINATION
2 WITH THE OFFICE TO ADMINISTER THE TAX CREDIT CREATED IN THIS
3 SECTION.

4 (b) "BORROWER" MEANS A QUANTUM COMPANY DOING BUSINESS
5 IN COLORADO THAT IS AN EARLY-STAGE OR GROWTH-STAGE COMPANY AT
6 THE TIME A QUALIFIED APPLICANT MAKES A LOAN TO THE COMPANY AND
7 THAT, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (12)(c) OF THIS
8 SECTION, HAD AN ANNUAL REVENUE OF LESS THAN ONE HUNDRED MILLION
9 DOLLARS IN THE YEAR PRIOR TO THE YEAR IN WHICH A QUALIFIED
10 APPLICANT MADE A LOAN TO THE COMPANY.

11 (c) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
12 REVENUE.

13 (d) "ELIGIBLE LOAN" MEANS A LOAN MADE BY A QUALIFIED
14 APPLICANT TO A BORROWER.

15 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
16 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

17 (f) "QUALIFIED APPLICANT" MEANS A COMMERCIAL BANK,
18 DEPOSITORY INSTITUTION, PRIVATE LENDING FUND, OR OTHER ENTITY
19 THAT MAKES LOANS FOR COMMERCIAL PURPOSES AND MAKES A LOAN TO
20 A BORROWER.

21 (g) "QUANTUM COMPANY" MEANS A PRIVATE FOR-PROFIT OR
22 NONPROFIT ORGANIZATION THAT HAS QUANTUM TECHNOLOGY AS A KEY
23 PART OF ITS BUSINESS MODEL, INCLUDING BUT NOT LIMITED TO
24 MANUFACTURING, TESTING, PRODUCTION, RESEARCH AND DEVELOPMENT,
25 OR ENHANCEMENT OF HARDWARE OR SOFTWARE TO PERFORM OR USE
26 QUANTUM TECHNOLOGY AS A KEY INPUT OR OUTPUT OF ITS BUSINESS
27 MODEL, AND COMPANIES THAT PRODUCE GOODS OR SERVICES THAT ARE

1 KEY INPUTS FOR OTHER QUANTUM COMPANIES.

2 (h) "REGISTERED LOAN" MEANS AN ELIGIBLE LOAN MADE TO A
3 BORROWER THAT IS REGISTERED WITH THE ADMINISTRATOR PURSUANT TO
4 SUBSECTION (7)(a) OF THIS SECTION.

5 (3) **Credit allowed.** (a) SUBJECT TO THE PROVISIONS OF
6 SUBSECTION (3)(c) OF THIS SECTION, FOR INCOME TAX YEARS
7 COMMENCING ON OR AFTER JANUARY 1, 2026, BUT PRIOR TO JANUARY 1,
8 2046, A QUALIFIED APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME
9 TAXES IMPOSED BY THIS ARTICLE 22 TO OFFSET LOSSES INCURRED IN
10 CONNECTION WITH ONE OR MORE REGISTERED LOANS IN AN AMOUNT
11 SPECIFIED ON THE REGISTERED LOAN LOSS CERTIFICATE ISSUED BY THE
12 ADMINISTRATOR PURSUANT TO SUBSECTION (8) OF THIS SECTION; EXCEPT
13 THAT, IF A QUALIFIED TAXPAYER CLAIMS MORE THAN ONE REGISTERED
14 LOAN LOSS, IN NO EVENT MAY THE AGGREGATE REGISTERED LOAN LOSSES
15 CLAIMED BY THE QUALIFIED TAXPAYER EXCEED THE TOTAL AMOUNT
16 SPECIFIED ON THE TAX CREDIT CERTIFICATES ISSUED PURSUANT TO
17 SUBSECTION (7) OF THIS SECTION.

18 (b) TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION,
19 THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION AS SPECIFIED IN
20 SUBSECTION (5) OF THIS SECTION, MAKE AN ELIGIBLE LOAN AND REGISTER
21 THE ELIGIBLE LOAN PRIOR TO JUNE 30, 2036, OBTAIN A TAX CREDIT
22 CERTIFICATE FROM THE ADMINISTRATOR AS SPECIFIED IN SUBSECTION (7)
23 OF THIS SECTION, INCUR A LOSS IN CONNECTION WITH A REGISTERED LOAN
24 AND OBTAIN A REGISTERED LOAN LOSS CERTIFICATE FROM THE
25 ADMINISTRATOR AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION PRIOR
26 TO JANUARY 1, 2045, AND, ONCE ISSUED BY THE ADMINISTRATOR, FILE THE
27 TAX CREDIT CERTIFICATE AND THE REGISTERED LOAN LOSS CERTIFICATE

1 WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS SPECIFIED IN
2 SUBSECTION (9) OF THIS SECTION.

3 (c) THE ADMINISTRATOR SHALL DETERMINE THE METHOD IT WILL
4 USE TO DISTRIBUTE TAX CREDIT CERTIFICATES TO QUALIFIED APPLICANTS
5 PURSUANT TO SUBSECTION (7) OF THIS SECTION. IN SELECTING THE
6 DISTRIBUTION METHOD USED TO DISTRIBUTE THE TAX CREDIT
7 CERTIFICATES, THE ADMINISTRATOR MAY CONSULT WITH QUANTUM
8 INDUSTRY PARTICIPANTS. THE DISTRIBUTION METHOD MAY BE:

9 (I) ON A FIRST-COME, FIRST-SERVED BASIS TO QUALIFIED
10 APPLICANTS WHO APPLY TO THE ADMINISTRATOR FOR A TAX CREDIT
11 PURSUANT TO SUBSECTION (5) OF THIS SECTION FOR ONE OR MORE
12 ELIGIBLE LOANS EACH, AFTER THE QUALIFIED APPLICANT HAS MADE THE
13 LOAN;

14 (II) BASED ON A COMPETITIVE LENDER SELECTION PROCESS WHERE
15 THE ADMINISTRATOR CHOOSES WHICH LENDERS ARE ELIGIBLE TO APPLY
16 FOR THE TAX CREDIT ALLOWED BY THIS SECTION IN ADVANCE OF
17 ACCEPTING APPLICATIONS AND REQUESTS TO REGISTER LOANS AND IN
18 ADVANCE OF ISSUING TAX CREDITS. IN SELECTING LENDERS TO BE
19 ALLOWED A TAX CREDIT PURSUANT TO THIS SECTION, THE ADMINISTRATOR
20 MAY ALLOCATE SOME OR ALL OF THE CREDITS SOLELY TO SELECTED
21 LENDERS. IF THE ADMINISTRATOR USES THIS DISTRIBUTION METHOD, THE
22 SELECTED LENDERS ARE THE ONLY QUALIFIED APPLICANTS THAT ARE
23 ALLOWED TO APPLY TO THE ADMINISTRATOR, REQUEST REGISTRATION OF
24 THE LOAN, AND BE ISSUED A TAX CREDIT CERTIFICATE AND REGISTERED
25 LOAN LOSS CERTIFICATE PURSUANT TO THIS SECTION.

26 (III) A COMBINATION OF THE METHODS DESCRIBED IN
27 SUBSECTIONS (3)(c)(I) AND (3)(c)(II) OF THIS SECTION.

1 (d) THE TAX CREDIT CREATED IN THIS SECTION IS NOT ALLOWED TO
2 ANY QUALIFIED APPLICANT UNLESS A COLORADO-BASED ENTITY RECEIVES
3 A MULTI-MILLION DOLLAR FEDERAL GRANT FROM THE ECONOMIC
4 DEVELOPMENT ADMINISTRATION FOR THE REGIONAL TECHNOLOGY AND
5 INNOVATION PROGRAM OR A COMPARABLE FEDERAL GRANT PROGRAM.

6 (4) **Credit administration.** (a) EXCEPT AS OTHERWISE PROVIDED
7 IN SUBSECTION (4)(b) OF THIS SECTION, THE OFFICE IS THE ADMINISTRATOR
8 OF THE CREDIT ALLOWED PURSUANT TO THIS SECTION. THE OFFICE MAY
9 WORK WITH A THIRD-PARTY PROGRAM ADMINISTRATOR SELECTED BY THE
10 OFFICE TO ASSIST IN ADMINISTERING THE CREDIT.

11 (b) IN LIEU OF THE OFFICE SERVING AS THE ADMINISTRATOR
12 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE OFFICE MAY
13 CONTRACT WITH THE COLORADO HOUSING AND FINANCE AUTHORITY
14 CREATED IN SECTION 29-4-704 WITHOUT RECOURSE TO A COMPETITIVE
15 PROCESS TO SERVE AS THE CREDIT ADMINISTRATOR. THE OFFICE MAY ALSO
16 CONTRACT WITH ANOTHER ENTITY TO BE THE ADMINISTRATOR, HOWEVER,
17 IF THE OFFICE CONTRACTS WITH ANOTHER ENTITY TO BE THE
18 ADMINISTRATOR, THEN THE OFFICE MUST SELECT THE THIRD-PARTY
19 ADMINISTRATOR USING A COMPETITIVE SELECTION PROCESS.

20 (5) **Application submission and request for loan registration.**

21 (a) AN APPLICANT THAT HAS MADE A LOAN FOR THE PURPOSES OF THE
22 TAX CREDIT ALLOWED PURSUANT TO THIS SECTION MAY SUBMIT AN
23 APPLICATION FOR A TAX CREDIT CERTIFICATE DESCRIBED IN SUBSECTION
24 (7) OF THIS SECTION AND REQUEST THAT THE ADMINISTRATOR REGISTER
25 THE LOAN PURSUANT TO THIS SUBSECTION (5) ON OR AFTER JANUARY 1,
26 2025, BUT NO LATER THAN JUNE 30, 2036.

27 (b) (I) THE ADMINISTRATOR SHALL REVIEW ALL SUBMITTED

1 APPLICATIONS TO:

2 (A) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED
3 APPLICANT;

4 (B) DETERMINE WHETHER THE QUANTUM COMPANY THAT IS THE
5 LOAN RECIPIENT IS A BORROWER;

6 (C) DETERMINE WHETHER THE APPLICATION IS COMPLETE AND
7 INCLUDES A DESCRIPTION OF THE LOAN THAT THE QUALIFIED APPLICANT
8 MADE OR WILL MAKE TO A BORROWER AND A DESCRIPTION OF THE
9 PURPOSES FOR WHICH THE BORROWER WILL USE THE LOAN;

10 (D) MAKE A DETERMINATION OF WHETHER THE LOAN IS AN
11 ELIGIBLE LOAN AND WHETHER THE ADMINISTRATOR MAY REGISTER THE
12 LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION; AND

13 (E) DETERMINE WHETHER, BASED ON THE ELIGIBLE LOAN, THE
14 QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT CERTIFICATE AS
15 SPECIFIED IN SUBSECTION (7) OF THIS SECTION.

16 (II) IF THE ADMINISTRATOR DETERMINES THAT AN APPLICATION IS
17 INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE DETERMINATIONS
18 SPECIFIED IN SUBSECTION (5)(b)(I) OF THIS SECTION, THE ADMINISTRATOR
19 SHALL NOTIFY THE APPLICANT IN WRITING OF THE ADMINISTRATOR'S
20 DECISION AND SHALL NOT REVIEW ANY LOAN TO DETERMINE WHETHER
21 THE LOAN MAY BE REGISTERED PURSUANT TO SUBSECTION (5)(c) OF THIS
22 SECTION.

23 (c) (I) TO BE ELIGIBLE TO RECEIVE A TAX CREDIT CERTIFICATE
24 PURSUANT TO SUBSECTION (7) OF THIS SECTION, A QUALIFIED APPLICANT
25 MUST REQUEST THAT THE ADMINISTRATOR REGISTER THE LOAN FOR WHICH
26 THE TAX CREDIT APPLICATION WAS SUBMITTED PURSUANT TO THIS
27 SUBSECTION (5). TO REGISTER A LOAN, A QUALIFIED APPLICANT MUST

1 PROVIDE THE FOLLOWING INFORMATION TO THE ADMINISTRATOR:

2 (A) THE NAME OF THE BORROWER AND THE LOCATION WHERE THE
3 BORROWER IS DOING BUSINESS;

4 (B) THE AMOUNT AND TERMS OF THE LOAN ISSUED TO THE
5 BORROWER BY THE QUALIFIED APPLICANT;

6 (C) THE PURPOSES FOR WHICH THE BORROWER WILL USE THE
7 LOAN;

8 (D) AN AFFIDAVIT REGARDING HOW THE TAX CREDIT ALLOWED
9 PURSUANT TO THIS SECTION INDUCED THE QUALIFIED APPLICANT TO MAKE
10 THE LOAN TO THE BORROWER OR IMPROVE THE TERMS OF THE LOAN
11 BEYOND WHAT NORMAL MARKET CONDITIONS WOULD PROVIDE;

12 (E) CERTIFICATION FROM THE BORROWER THAT THE BORROWER
13 WILL PRIMARILY USE THE PROCEEDS OF THE LOAN FROM THE QUALIFIED
14 APPLICANT TO CONTINUE OR EXPAND THE BORROWER'S QUANTUM
15 BUSINESS OPERATIONS IN COLORADO; AND

16 (F) ANY OTHER INFORMATION THAT THE ADMINISTRATOR DEEMS
17 NECESSARY.

18 (II) THE ADMINISTRATOR SHALL REVIEW THE INFORMATION
19 SUBMITTED PURSUANT TO SUBSECTION (5)(c)(I) OF THIS SECTION AND
20 DETERMINE WHETHER THE LOAN IS AN ELIGIBLE LOAN. IF THE
21 ADMINISTRATOR DETERMINES THAT THE LOAN THAT IS THE BASIS OF THE
22 APPLICATION SUBMITTED PURSUANT TO THIS SUBSECTION (5) IS AN
23 ELIGIBLE LOAN, THE ADMINISTRATOR SHALL DETERMINE THE AMOUNT OF
24 THE REGISTRATION AND ISSUANCE FEE DESCRIBED IN SUBSECTION (6)(a)
25 OF THIS SECTION AS UP TO EIGHT PERCENT OF THE AMOUNT THAT WILL BE
26 SPECIFIED ON THE TAX CREDIT CERTIFICATE AS DESCRIBED IN SUBSECTION
27 (7)(d)(I) OF THIS SECTION, AND SHALL COLLECT THE FEE FROM THE

1 QUALIFIED APPLICANT OR THE BORROWER TO WHICH A QUALIFIED
2 APPLICANT MADE AN ELIGIBLE LOAN. ONCE THE REGISTRATION AND
3 ISSUANCE FEE IS COLLECTED, THE ADMINISTRATOR SHALL REGISTER THE
4 LOAN, KEEP RECORDS OF THE LOAN PURSUANT TO SUBSECTION (8)(a) OF
5 THIS SECTION, AND MAY ISSUE THE TAX CREDIT CERTIFICATE AS SPECIFIED
6 IN SUBSECTION (7) OF THIS SECTION. IF THE ADMINISTRATOR DETERMINES
7 THAT THE LOAN THAT IS THE BASIS OF THE APPLICATION SUBMITTED
8 PURSUANT TO THIS SUBSECTION (5) IS NOT AN ELIGIBLE LOAN, THE
9 ADMINISTRATOR SHALL NOTIFY THE QUALIFIED APPLICANT AND SHALL NOT
10 REGISTER THE LOAN.

11 (III) THE ADMINISTRATOR MAY ESTABLISH POLICIES AND
12 PROCEDURES THAT SPECIFY ADDITIONAL REQUIREMENTS FOR LOANS TO BE
13 DESIGNATED AS ELIGIBLE LOANS AND FOR LOANS TO BE REGISTERED
14 PURSUANT TO THIS SUBSECTION (5)(c).

15 (d) THE ADMINISTRATOR SHALL MAKE THE DETERMINATIONS
16 SPECIFIED IN SUBSECTIONS (5)(b) AND (5)(c) OF THIS SECTION WITHIN
17 NINETY DAYS OF THE DATE THE ADMINISTRATOR RECEIVES THE COMPLETE
18 APPLICATION AND REQUEST FOR LOAN REGISTRATION.

19 (e) THE ADMINISTRATOR MAY DEVELOP A PROCESS THAT ALLOWS
20 A POTENTIAL APPLICANT FOR A TAX CREDIT PURSUANT TO THIS SECTION TO
21 PROVIDE INFORMATION TO THE ADMINISTRATOR REGARDING A LOAN THAT
22 IT PLANS TO MAKE TO A BORROWER AND TO REQUEST THAT THE
23 ADMINISTRATOR ADVISE THE POTENTIAL APPLICANT REGARDING WHETHER
24 THE LOAN, IF MADE, IS AN ELIGIBLE LOAN THAT CAN BE REGISTERED
25 PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION. ANY POTENTIAL
26 APPLICANT THAT REQUESTS ADVICE FROM THE ADMINISTRATOR PURSUANT
27 TO THIS SUBSECTION (5)(e) AND THEN MAKES A LOAN IS REQUIRED TO

1 SUBMIT AN APPLICATION AND REQUEST THAT THE LOAN BE REGISTERED
2 PURSUANT TO THIS SUBSECTION (5) BEFORE THE ADMINISTRATOR ISSUES
3 A TAX CREDIT CERTIFICATE PURSUANT TO SUBSECTION (7) OF THIS
4 SECTION.

5 **(6) Registration and issuance fee.** (a) THE ADMINISTRATOR
6 SHALL IMPOSE ON AND COLLECT FROM A QUALIFIED APPLICANT OR THE
7 BORROWER TO WHICH A QUALIFIED APPLICANT MADE AN ELIGIBLE LOAN
8 A REASONABLE REGISTRATION AND ISSUANCE FEE PURSUANT TO
9 SUBSECTION (5)(c)(II) OF THIS SECTION.

10 (b) THE ADMINISTRATOR SHALL TRANSFER ANY FEE REVENUE
11 COLLECTED OR PAID TO THE OFFICE PURSUANT TO THIS SUBSECTION (6) TO
12 THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND CREATED IN
13 SUBSECTION (13) OF THIS SECTION.

14 **(7) Tax credit certificate - loan registration - pooled loan loss**
15 **reserve.** (a) TO RECEIVE A TAX CREDIT CERTIFICATE PURSUANT TO THIS
16 SUBSECTION (7), A QUALIFIED APPLICANT MUST FIRST APPLY TO THE
17 ADMINISTRATOR FOR THE ISSUANCE OF A TAX CREDIT CERTIFICATE AND
18 REGISTER THE LOAN FOR WHICH THE TAX CREDIT APPLICATION WAS
19 SUBMITTED PURSUANT TO SUBSECTION (5) OF THIS SECTION.

20 (b) (I) ON THE BASIS OF ANY LOAN THAT IS REGISTERED PURSUANT
21 TO SUBSECTION (5)(c) OF THIS SECTION, THE ADMINISTRATOR MAY
22 DETERMINE THAT A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT
23 CERTIFICATE IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE
24 ADMINISTRATOR SHALL ISSUE THE TAX CREDIT CERTIFICATE SUBJECT TO
25 THE LIMITATIONS SET FORTH IN THIS SUBSECTION (7) AND IN ACCORDANCE
26 WITH THE POLICIES AND PROCEDURES ESTABLISHED PURSUANT TO
27 SUBSECTION (12) OF THIS SECTION. THE ADMINISTRATOR SHALL NOT ISSUE

1 TAX CREDIT CERTIFICATES AFTER SEPTEMBER 30, 2036.

2 (II) THE ADMINISTRATOR MAY, BEFORE ISSUING A TAX CREDIT
3 CERTIFICATE PURSUANT TO THIS SUBSECTION (7), ESTABLISH ADDITIONAL
4 POLICIES OR PROCEDURES FOR A QUALIFIED APPLICANT TO BE ELIGIBLE FOR
5 THE ISSUANCE OF A TAX CREDIT CERTIFICATE.

6 (c) IF THE ADMINISTRATOR ISSUES A TAX CREDIT CERTIFICATE TO
7 A QUALIFIED APPLICANT, THE ADMINISTRATOR SHALL NOTIFY THE
8 QUALIFIED APPLICANT IN WRITING OF THE CERTIFICATE AND THE AMOUNT
9 OF THE CERTIFICATE. THE ISSUANCE OF A TAX CREDIT CERTIFICATE BY THE
10 ADMINISTRATOR FOR A QUALIFIED APPLICANT DOES NOT ENTITLE THE
11 QUALIFIED APPLICANT TO CLAIM THE CREDIT UNTIL THE QUALIFIED
12 APPLICANT HAS BEEN ISSUED A REGISTERED LOAN LOSS CERTIFICATE
13 PURSUANT TO SUBSECTION (8) OF THIS SECTION.

14 (d) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (7)(d),
15 IF APPROVED, THE ADMINISTRATOR MAY ISSUE A TAX CREDIT CERTIFICATE
16 TO A QUALIFIED APPLICANT FOR ONE OR MORE ELIGIBLE LOANS IN AN
17 AMOUNT UP TO FIFTEEN CENTS FOR EVERY DOLLAR OF AN ELIGIBLE LOAN
18 THAT THE QUALIFIED APPLICANT HAS MADE OR WILL MAKE.

19 (II) THE AGGREGATE AMOUNT OF ALL TAX CREDIT CERTIFICATES
20 THAT THE ADMINISTRATOR MAY ISSUE PURSUANT TO THIS SECTION MUST
21 NOT EXCEED THIRTY MILLION DOLLARS.

22 (III) THE ADMINISTRATOR MAY ESTABLISH POLICIES AND
23 PROCEDURES TO SET THE AMOUNT OF THE TAX CREDIT CERTIFICATE ISSUED
24 ON THE BASIS OF A REGISTERED LOAN AT OR BELOW FIFTEEN CENTS FOR
25 EVERY DOLLAR OF THE REGISTERED LOAN OR CHANGE THE AMOUNT OF
26 THE CREDIT ALLOWED FROM TIME TO TIME FOR CREDIT CERTIFICATES THAT
27 HAVE NOT YET BEEN ISSUED. THE ADMINISTRATOR MAY ALSO CAP THE

1 TOTAL AMOUNT OF ANY TAX CREDIT CERTIFICATES ISSUED TO A QUALIFIED
2 APPLICANT PURSUANT TO THIS SUBSECTION (7), DETERMINE A CAP ON THE
3 TOTAL AMOUNT OF A TAX CREDIT CERTIFICATE ALLOWED TO A QUALIFIED
4 APPLICANT FOR A SINGLE ELIGIBLE LOAN TO A SINGLE BORROWER OR IN
5 THE AGGREGATE FOR MULTIPLE ELIGIBLE LOANS TO ONE OR MORE
6 BORROWERS, OR DETERMINE ANY OTHER CAPS DEEMED NECESSARY BY THE
7 ADMINISTRATOR. THE ADMINISTRATOR SHALL MAKE THE POLICIES AND
8 PROCEDURES SPECIFIED IN THIS SUBSECTION (7)(d)(III) BASED ON MARKET
9 CONDITIONS AND OTHER FACTORS DETERMINED TO BE RELEVANT BY THE
10 ADMINISTRATOR. IF THE OFFICE IS NOT THE ADMINISTRATOR, THE OFFICE
11 SHALL APPROVE THE ADMINISTRATOR'S FINAL DECISIONS ON POLICIES AND
12 PROCEDURES.

13 (e) THE ADMINISTRATOR SHALL DISTRIBUTE THE TAX CREDIT
14 CERTIFICATES IN THE MANNER THAT THE ADMINISTRATOR DETERMINES
15 PURSUANT TO SUBSECTION (3)(c) OF THIS SECTION.

16 (f) EACH QUALIFIED APPLICANT THAT IS ISSUED MORE THAN ONE
17 TAX CREDIT CERTIFICATE PURSUANT TO THIS SUBSECTION (7) SHALL HOLD
18 THE CREDIT CERTIFICATES ISSUED TO THE QUALIFIED APPLICANT IN A
19 POOLED LOAN LOSS RESERVE OF ALL TAX CREDIT CERTIFICATES ISSUED TO
20 THAT QUALIFIED APPLICANT. A QUALIFIED APPLICANT MAY USE ALL OR
21 ANY PORTION OF THE CREDIT CERTIFICATES ISSUED TO THAT QUALIFIED
22 APPLICANT TO OFFSET ANY LOSS INCURRED BY THAT QUALIFIED APPLICANT
23 IN CONNECTION WITH ONE OR MORE REGISTERED LOANS, SUBJECT TO THE
24 PROVISIONS OF SUBSECTION (8) OF THIS SECTION.

25 (g) THE ADMINISTRATOR MAY ALLOW A QUALIFIED APPLICANT TO
26 REGISTER AN ELIGIBLE LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS
27 SECTION AFTER THE ADMINISTRATOR HAS ISSUED THE TOTAL AMOUNT OF

1 TAX CREDIT CERTIFICATES ALLOWED PURSUANT TO SUBSECTION (7)(d)(II)
2 OF THIS SECTION OR THE AMOUNT OF CREDITS ALLOWED PURSUANT TO
3 ANY OTHER CAP DETERMINED BY THE ADMINISTRATOR PURSUANT TO
4 SUBSECTION (7)(d)(III) OF THIS SECTION. THE ADMINISTRATOR SHALL NOT
5 ISSUE A CREDIT CERTIFICATE FOR ANY LOAN REGISTERED PURSUANT TO
6 THIS SUBSECTION (7)(g), BUT THE QUALIFIED LENDER MAY USE ANY
7 AMOUNT OF TAX CREDIT CERTIFICATES ALREADY ISSUED TO THE
8 QUALIFIED LENDER AND NOT ALREADY CLAIMED PURSUANT TO
9 SUBSECTION (9) OF THIS SECTION TO OFFSET ANY LOSS INCURRED IN
10 CONNECTION WITH THE REGISTERED LOAN PURSUANT TO SUBSECTION (8)
11 OF THIS SECTION.

12 **(8) Status of registered loans - proof of registered loan loss -**
13 **issuance of registered loan loss certificate.** (a) (I) A QUALIFIED
14 APPLICANT THAT WAS ISSUED A TAX CREDIT CERTIFICATE PURSUANT TO
15 SUBSECTION (7) OF THIS SECTION SHALL PROVIDE PERIODIC UPDATES TO
16 THE ADMINISTRATOR, IN A FORM, MANNER, AND FREQUENCY TO BE
17 DETERMINED BY THE ADMINISTRATOR, REGARDING THE STATUS OF THE
18 REGISTERED LOAN THAT IS THE BASIS OF THE CREDIT CERTIFICATE. IN
19 ADDITION TO PERIODIC UPDATES, THE QUALIFIED APPLICANT SHALL NOTIFY
20 THE ADMINISTRATOR WHEN ANY REGISTERED LOAN IS PAID OFF,
21 EXTENDED, RENEWED, RESTRUCTURED OR REFINANCED, OR HAS BECOME
22 PAST DUE OR NON-PERFORMING. A QUALIFIED APPLICANT THAT INCURS A
23 LOSS ASSOCIATED WITH A REGISTERED LOAN SHALL NOTIFY THE
24 ADMINISTRATOR AND COMPLY WITH THE REQUIREMENTS OF SUBSECTION
25 (8)(b) OF THIS SECTION BEFORE THE QUALIFIED APPLICANT IS ELIGIBLE TO
26 RECEIVE A LOAN LOSS CERTIFICATE PURSUANT TO SUBSECTION (8)(d) OF
27 THIS SECTION.

1 (II) THE ADMINISTRATOR SHALL KEEP A RECORD OF THE STATUS OF
2 ALL REGISTERED LOANS MADE BY EACH QUALIFIED APPLICANT FOR WHICH
3 THE ADMINISTRATOR ISSUED A CREDIT CERTIFICATE PURSUANT TO
4 SUBSECTION (7) OF THIS SECTION.

5 (b) (I) A QUALIFIED APPLICANT THAT INCURS A LOSS IN
6 CONNECTION WITH ONE OR MORE REGISTERED LOANS MAY APPLY TO THE
7 ADMINISTRATOR FOR ISSUANCE OF A REGISTERED LOAN LOSS CERTIFICATE
8 PURSUANT TO SUBSECTION (8)(d) OF THIS SECTION. BEFORE APPLYING FOR
9 A REGISTERED LOAN LOSS CERTIFICATE, A QUALIFIED APPLICANT THAT HAS
10 INCURRED A LOSS ASSOCIATED WITH ONE OR MORE REGISTERED LOANS
11 SHALL CHARGE OFF ALL OR A PORTION OF THE OUTSTANDING BALANCE OF
12 THE REGISTERED LOAN IN ACCORDANCE WITH THE QUALIFIED APPLICANT'S
13 CUSTOMARY POLICIES AND PROCEDURES AND IN ACCORDANCE WITH THE
14 REQUIREMENTS OF FEDERAL OR STATE REGULATORY AGENCIES. THE
15 QUALIFIED APPLICANT SHALL CEASE TO ASSESS INTEREST ON THE
16 REGISTERED LOAN IN ACCORDANCE WITH GENERALLY ACCEPTED
17 ACCOUNTING PRINCIPLES AND AS REQUIRED BY FEDERAL AND STATE
18 REGULATORY AGENCIES AND SHALL TAKE REASONABLE ACTIONS, AS
19 DETERMINED BY THE ADMINISTRATOR, TO OBTAIN PARTIAL PAYMENTS AND
20 RECOVERY, INCLUDING ACCESSING COLLATERAL AND LOAN GUARANTORS.

21 (II) A QUALIFIED APPLICANT SHALL SUBMIT TO THE
22 ADMINISTRATOR, WITH THE QUALIFIED APPLICANT'S APPLICATION FOR A
23 REGISTERED LOAN LOSS CERTIFICATE, EVIDENCE OF THE QUALIFIED
24 APPLICANT'S COMPLIANCE WITH THE PROVISIONS OF SUBSECTION (8)(b)(I)
25 OF THIS SECTION AND EVIDENCE OF THE AMOUNT OF THE LOSS INCURRED
26 IN CONNECTION WITH ONE OR MORE REGISTERED LOANS, INCLUDING
27 OUT-OF-POCKET EXPENSES INCURRED BY THE QUALIFIED APPLICANT IN

1 PURSUING RECOVERY OF THE REGISTERED LOAN. THE APPLICANT SHALL
2 ALSO PROVIDE DOCUMENTS TO THE ADMINISTRATOR DEMONSTRATING
3 THAT THE QUALIFIED APPLICANT SATISFIED ANY ADDITIONAL
4 REQUIREMENTS IMPOSED BY THE ADMINISTRATOR PURSUANT TO
5 SUBSECTION (12) OF THIS SECTION.

6 (c) (I) WITHIN NINETY DAYS AFTER RECEIPT OF THE COMPLETE
7 APPLICATION FROM THE QUALIFIED APPLICANT SUBMITTED PURSUANT TO
8 SUBSECTION (8)(b) OF THIS SECTION, THE ADMINISTRATOR SHALL REVIEW
9 THE QUALIFIED APPLICANT'S DOCUMENTATION OF THE LOSS INCURRED IN
10 CONNECTION WITH A REGISTERED LOAN AND DETERMINE WHETHER THE
11 DOCUMENTATION SATISFIES THE REQUIREMENTS OF SUBSECTION (8)(b) OF
12 THIS SECTION. IF THE ADMINISTRATOR DETERMINES THAT A QUALIFIED
13 APPLICANT HAS FAILED TO COMPLY WITH THE REQUIREMENTS OF
14 SUBSECTION (8)(b) OF THIS SECTION, THE ADMINISTRATOR SHALL
15 PROMPTLY NOTIFY THE QUALIFIED APPLICANT IN WRITING AND SHALL NOT
16 ISSUE A REGISTERED LOAN LOSS CERTIFICATE TO THE QUALIFIED
17 APPLICANT.

18 (II) IF THE ADMINISTRATOR DETERMINES THAT THE
19 DOCUMENTATION PROVIDED BY THE QUALIFIED APPLICANT SATISFIES THE
20 REQUIREMENTS OF SUBSECTION (8)(b) OF THIS SECTION, THE
21 ADMINISTRATOR SHALL DETERMINE THE TOTAL AMOUNT OF THE LOSS
22 INCURRED IN CONNECTION WITH THE REGISTERED LOAN AND CERTIFY THE
23 AMOUNT OF THE REGISTERED LOAN LOSS. THE AMOUNT OF THE CERTIFIED
24 LOAN LOSS DETERMINED BY THE ADMINISTRATOR SHALL BE AN AMOUNT
25 EQUAL TO THE TOTAL OF THE OUTSTANDING AND UNRECOVERED
26 PRINCIPAL AND ACCRUED INTEREST ON THE REGISTERED LOAN OR LOANS
27 AND THE AMOUNT OF REASONABLE OUT-OF-POCKET EXPENSES INCURRED

1 BY THE QUALIFIED APPLICANT IN PURSUING RECOVERY UNDER THE
2 REGISTERED LOAN OR LOANS; EXCEPT THAT THE AMOUNT OF THE
3 CERTIFIED LOAN LOSS DETERMINED BY THE ADMINISTRATOR SHALL NOT
4 EXCEED THE ORIGINAL PRINCIPAL AMOUNT OF THE REGISTERED LOAN AS
5 STATED IN THE DOCUMENTATION PROVIDED WHEN THE QUALIFIED
6 APPLICANT REGISTERED THE ELIGIBLE LOAN. THE AMOUNT OF THE
7 CERTIFIED LOAN LOSS SHALL NOT INCLUDE ANY AMOUNT ATTRIBUTABLE
8 TO DAMAGES PAID BY THE QUALIFIED APPLICANT AS A RESULT OF A LEGAL
9 CLAIM AGAINST THE QUALIFIED APPLICANT FOR NEGLIGENCE,
10 MISCONDUCT, OR ANY OTHER ALLEGATION OF WRONGDOING OR ANY
11 AMOUNT OF LATE CHARGES OR UNPAID DEFAULT INTEREST CHARGES
12 IMPOSED ON THE BORROWER BY THE QUALIFIED APPLICANT.

13 (d) THE ADMINISTRATOR SHALL ISSUE A REGISTERED LOAN LOSS
14 CERTIFICATE TO ANY QUALIFIED APPLICANT THAT HAS SATISFIED THE
15 REQUIREMENTS OF SUBSECTION (8)(b) OF THIS SECTION IN THE AMOUNT OF
16 THE CERTIFIED LOAN LOSS CALCULATED PURSUANT TO SUBSECTION (8)(c)
17 OF THIS SECTION; EXCEPT THAT THE ADMINISTRATOR SHALL NOT ISSUE A
18 REGISTERED LOAN LOSS CERTIFICATE THAT EXCEEDS THE TOTAL AMOUNT
19 OF UNCLAIMED TAX CREDIT CERTIFICATES ISSUED TO THE QUALIFIED
20 APPLICANT PURSUANT TO SUBSECTION (7) OF THIS SECTION. THE
21 ADMINISTRATOR SHALL NOT ISSUE A REGISTERED LOAN LOSS CERTIFICATE
22 BEFORE JANUARY 1, 2026, OR AFTER DECEMBER 31, 2045.

23 (9) **Filing tax credit certificate and registered loan loss**
24 **certificate with income tax return.** (a) TO CLAIM THE CREDIT
25 AUTHORIZED BY THIS SECTION, A QUALIFIED APPLICANT SHALL FILE THE
26 TAX CREDIT CERTIFICATE ISSUED BY THE ADMINISTRATOR PURSUANT TO
27 SUBSECTION (7) OF THIS SECTION AND THE REGISTERED LOAN LOSS

1 CERTIFICATE ISSUED BY THE ADMINISTRATOR PURSUANT TO SUBSECTION
2 (8) OF THIS SECTION WITH THE QUALIFIED APPLICANT'S STATE INCOME TAX
3 RETURN FOR THE INCOME TAX YEAR IN WHICH THE REGISTERED LOAN LOSS
4 OCCURS. IF THE QUALIFIED APPLICANT IS EXEMPT FROM TAX PURSUANT TO
5 SECTION 39-22-112 (1), THE QUALIFIED APPLICANT SHALL FILE A RETURN
6 PURSUANT TO SECTION 39-22-601 (7)(b). THE AMOUNT OF THE TAX
7 CREDIT THAT A QUALIFIED APPLICANT MAY CLAIM PURSUANT TO THIS
8 SECTION IS THE AMOUNT STATED ON THE REGISTERED LOAN LOSS
9 CERTIFICATE.

10 (b) A QUALIFIED APPLICANT MAY NOT CLAIM A CREDIT PURSUANT
11 TO THIS SECTION FOR ANY INCOME TAX YEAR COMMENCING BEFORE
12 JANUARY 1, 2026, OR AFTER DECEMBER 31, 2045. ANY TAX CREDIT
13 CERTIFICATES AND REGISTERED LOAN LOSS CERTIFICATES THAT THE
14 ADMINISTRATOR ISSUED, BUT FOR WHICH A TAX CREDIT HAS NOT BEEN
15 CLAIMED PURSUANT TO SUBSECTION (9)(a) OF THIS SECTION BEFORE THE
16 TAX YEAR COMMENCING ON JANUARY 1, 2046, EXPIRE AND NO LONGER
17 HAVE VALUE.

18 (c) A QUALIFIED APPLICANT MAY CLAIM AN INCOME TAX CREDIT
19 ALLOWED PURSUANT TO THIS SECTION MORE THAN ONCE, SO LONG AS THE
20 QUALIFIED APPLICANT HAS REMAINING TAX CREDIT CERTIFICATES THAT IT
21 HAS NOT YET FILED WITH THE DEPARTMENT PURSUANT TO THIS
22 SUBSECTION (9), INCURS AN ADDITIONAL LOSS IN CONNECTION WITH A
23 REGISTERED LOAN, AND IS ISSUED A REGISTERED LOAN LOSS CERTIFICATE
24 FOR THE ADDITIONAL LOSS PURSUANT TO SUBSECTION (8) OF THIS SECTION.

25 (d) A REGISTERED LOAN LOSS CERTIFICATE ISSUED TO A
26 PARTNERSHIP, A LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP,
27 OR MULTIPLE OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE

1 PARTNERS, MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY
2 THAT IS A PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA
3 BASIS OR PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
4 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION
5 METHOD.

6 (10) **Refundability.** THE ENTIRE TAX CREDIT TO BE ISSUED
7 PURSUANT TO THIS SECTION MAY BE CLAIMED BY THE QUALIFIED
8 APPLICANT IN THE TAXABLE YEAR IN WHICH THE QUALIFIED APPLICANT
9 INCURS A LOSS IN CONNECTION WITH A REGISTERED LOAN. IF THE AMOUNT
10 OF THE CREDIT ALLOWED PURSUANT TO THIS SECTION EXCEEDS THE
11 AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE
12 QUALIFIED APPLICANT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT
13 IS BEING CLAIMED, OR THE QUALIFIED APPLICANT IS A PERSON WHO IS
14 EXEMPT FROM TAXATION PURSUANT TO SECTION 39-22-112 (1), ONE
15 HUNDRED PERCENT OF THE AMOUNT OF THE CREDIT NOT USED AS AN
16 OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO
17 THE QUALIFIED APPLICANT.

18 (11) **Reporting.** (a) NO LATER THAN NOVEMBER 1, 2027, AND,
19 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO
20 LATER THAN NOVEMBER 1 OF EACH YEAR THEREAFTER THROUGH 2046,
21 THE ADMINISTRATOR SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL
22 ASSEMBLY ABOUT THE ACTIVITY IN CONNECTION WITH THE TAX CREDIT
23 ALLOWED PURSUANT TO THIS SECTION IN THE PREVIOUS FISCAL YEAR AND
24 SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE PUBLIC. IN
25 CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS SECTION, THE
26 REPORT MUST INCLUDE, BUT NEED NOT BE LIMITED TO:

27 (I) THE NUMBER OF ELIGIBLE LOANS THAT HAVE BEEN REGISTERED

1 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION;

2 (II) THE NUMBER OF REGISTERED LOANS FOR WHICH A QUALIFIED
3 APPLICANT NOTIFIED THE ADMINISTRATOR OF A LOAN LOSS PURSUANT TO
4 SUBSECTION (8)(a) OF THIS SECTION;

5 (III) A LIST OF EACH QUANTUM BUSINESS IN THE STATE THAT IS A
6 BORROWER PURSUANT TO THIS SECTION; AND

7 (IV) A SUMMARY OF THE BORROWER'S USE OR USES OF EACH
8 REGISTERED LOAN AND THE IMPACT THAT THE LOANS HAVE HAD ON THE
9 DEVELOPMENT OF QUANTUM BUSINESSES IN THIS STATE.

10 (b) THE ADMINISTRATOR SHALL, IN A SUFFICIENTLY TIMELY
11 MANNER TO ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING
12 THE INCOME TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE
13 DEPARTMENT WITH AN ELECTRONIC REPORT OF EACH QUALIFIED
14 APPLICANT TO WHICH THE OFFICE ISSUES A TAX CREDIT CERTIFICATE AND
15 A REGISTERED LOAN LOSS CERTIFICATE FOR THE PRECEDING TAX YEAR
16 THAT INCLUDES THE FOLLOWING INFORMATION:

17 (I) THE QUALIFIED APPLICANT'S NAME;

18 (II) THE AMOUNT OF THE CREDIT AS STATED IN THE REGISTERED
19 LOAN LOSS CERTIFICATE; AND

20 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR
21 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL
22 EMPLOYER IDENTIFICATION NUMBER.

23 (12) **Policies and procedures.** (a) THE ADMINISTRATOR MAY
24 CREATE AND MODIFY POLICIES, PROCEDURES, AND GUIDELINES AND
25 SPECIFY ADDITIONAL REQUIREMENTS AS NECESSARY TO FURTHER
26 IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR MAKING ELIGIBLE
27 LOANS PURSUANT TO THIS SECTION AND SHALL SOLICIT ADVICE FROM THE

1 DEPARTMENT AND FROM QUANTUM INDUSTRY PARTICIPANTS IN CREATING
2 AND MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

3 (b) THE ADMINISTRATOR SHALL DEVELOP STANDARDS TO:

4 (I) MAKE THE DETERMINATION OF WHETHER A LOAN IS AN
5 ELIGIBLE LOAN PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION;

6 (II) DETERMINE WHETHER AN ELIGIBLE LOAN MAY BE REGISTERED
7 WITH THE ADMINISTRATOR AND WHETHER THE ADMINISTRATOR MAY ISSUE
8 A TAX CREDIT CERTIFICATE PURSUANT TO SUBSECTION (7) OF THIS
9 SECTION; AND

10 (III) DETERMINE THE AMOUNT OF A CERTIFIED LOAN LOSS
11 PURSUANT TO SUBSECTION (8)(c)(II) OF THIS SECTION.

12 (c) THE ADMINISTRATOR MAY CLARIFY THE DEFINITION OF
13 QUANTUM COMPANY WHEN NEEDED BASED ON INPUT FROM QUANTUM
14 INDUSTRY COMPANIES, RESEARCHERS, TRADE ASSOCIATIONS, AND OTHER
15 SECTOR PARTICIPANTS. IN ADDITION, THE ADMINISTRATOR MAY WAIVE
16 THE ANNUAL INCOME REQUIREMENT FOR A QUANTUM COMPANY TO BE A
17 BORROWER IF THE ADMINISTRATOR DETERMINES THAT WAIVING THAT
18 REQUIREMENT IS IN THE BEST INTEREST OF THIS STATE.

19 **(13) Quantum business loan loss reserve cash fund - creation.**

20 (a) THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND IS CREATED
21 IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE
22 FUND PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION AND ANY OTHER
23 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER
24 TO THE FUND.

25 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
26 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
27 QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND TO THE FUND.

1 (c) MONEY IN THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH
2 FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE
3 ADMINISTRATION OF THE QUANTUM BUSINESS LOAN LOSS RESERVE TAX
4 CREDIT CREATED IN THIS SECTION.

5 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
6 AND UNENCUMBERED MONEY IN THE FUND ON JANUARY 1, 2051, TO THE
7 GENERAL FUND.

8 (14) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER
9 31, 2050.

10 **SECTION 3.** In Colorado Revised Statutes, 24-75-402, **amend**
11 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

12 **24-75-402. Cash funds - limit on uncommitted reserves -**
13 **reduction in the amount of fees - exclusions - definitions.**

14 (5) Notwithstanding any provision of this section to the contrary, the
15 following cash funds are excluded from the limitations specified in this
16 section:

17 (ccc) The wildfire resiliency code board cash fund created in
18 section 24-33.5-1236 (8); **and**

19 (ddd) The closed landfill remediation grant program fund created
20 in section 30-20-124 (8); **AND**

21 (eee) THE QUANTUM BUSINESS LOAN LOSS RESERVE CASH FUND
22 CREATED IN SECTION 39-22-561 (13).

23 **SECTION 4. Appropriation.** For the 2024-25 state fiscal year,
24 \$90,255 is appropriated to the office of the governor for use by economic
25 development programs. This appropriation is from the general fund and
26 is based on an assumption that the office will require an additional 0.6
27 FTE. To implement this act, the office may use this appropriation for

1 economic development commission - general economic incentives and
2 marketing.

3 **SECTION 5. Safety clause.** The general assembly finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety or for appropriations for
6 the support and maintenance of the departments of the state and state
7 institutions.