

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. 24-0727.03 Jed Franklin x5484

**HOUSE BILL 24-1365**

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**HOUSE SPONSORSHIP**

**Lukens and Soper,**

**SENATE SPONSORSHIP**

**Bridges and Will,**

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**House Committees**

Business Affairs & Labor  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING REGIONAL TALENT DEVELOPMENT INITIATIVES, AND, IN**  
102            **CONNECTION THEREWITH, CREATING THE REGIONAL TALENT**  
103            **SUMMIT GRANT PROGRAM AND AN INCOME TAX CREDIT FOR**  
104            **FACILITY IMPROVEMENT AND EQUIPMENT ACQUISITION COSTS**  
105            **ASSOCIATED WITH TRAINING PROGRAMS DESIGNED TO**  
106            **ALLEVIATE WORKFORCE SHORTAGES.**

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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>.)*

On July 1, 2024, the bill requires a one-time \$3.8 million transfer

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.*

from the general fund to the regional talent development initiative grant program fund to address workforce shortages in infrastructure and building trades. Of this amount, not more than 7% may be used for the administrative costs incurred to administer the regional talent development initiative grant program.

The regional talent summit grant program (grant program) is created and is to be administered by the governor's office of economic development and international trade (office). The grant program, through a selection committee, will award grants to and contract with a program facilitator to develop regional summits across the state. The program facilitator will understand workforce development needs in identified regions of the state, generate a landscape analysis for each identified region that includes job projections and an overview of educational pathways, gather insight from employers about critical workforce and training needs, create regional goals for addressing talent needs, and develop comprehensive tactical plans. Beginning January 1, 2026, any modified or new local workforce development plan must incorporate the tactical plans. The program facilitator must complete all regional talent summits on or before July 1, 2025, and submit workforce plans as a result of the regional talent summits by December 1, 2025.

The grant program, through a selection committee, will also award grants to one or more regional hosts to secure facilities to host regional talent summits, determine community partners to attend the summits, and gather insight from regional employers about critical workforce and training needs.

The regional talent summit development initiative grant program fund (fund) is created in the state treasury. On July 1, 2024, the state treasurer shall transfer \$200,000 from the general fund to the fund. The money in the fund is continuously appropriated to the office.

The bill establishes a state income tax credit (tax credit) for the costs of facility improvement and equipment acquisition associated with training programs designed to alleviate workforce shortages beginning January 1, 2026. A qualified taxpayer in a qualified industry may earn a tax credit equal to up to 50% of the costs incurred by the qualified taxpayer to improve its facilities and acquire equipment. The tax credit is refundable and may not be carried forward.

To claim the tax credit, a qualified taxpayer must first reserve the tax credit by applying to be in the evaluation pool established by the office. A selection committee will consider the merits of each application to determine which taxpayers are qualified to reserve the tax credit. If a taxpayer is qualified and approved, the taxpayer is required to incur facility improvements and equipment acquisition costs to claim the tax credit. If the applicant submits evidence that the costs were incurred during the income tax year for which the applicant applied, and those costs are certified by a certified public accountant, the applicant may be

awarded a tax credit. The aggregate amount of tax credits reserved in one calendar year cannot exceed \$15 million.

The executive director of the department of revenue may require a person or organization not subject to tax or a person or organization exempt from taxes to make and file a return containing information prescribed by the executive director to claim the tax credit.

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

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

4 (a) House Bill 22-1350, enacted in 2022, established the regional  
5 talent development initiative act to invest in regional partnerships that  
6 encourage workforce development and respond to regional talent needs.  
7 The grant program, opportunity now, granted twenty-seven million  
8 dollars to forty-six grantees and created over two hundred thirty industry  
9 and educational partnerships with the first round of funding. The second  
10 and third rounds of investment demonstrate Colorado's ongoing  
11 commitment to innovation, regional planning, economic development,  
12 and collaboration.

13 (b) However, Colorado continues to experience workforce  
14 shortages due to the mismatch of jobs available and the skilled talent  
15 needed to fill them. This challenge is heightened by recent federal  
16 investment in programs like the federal "Infrastructure Investment and  
17 Jobs Act", Pub.L. 117-58, the federal "Inflation Reduction Act of 2022",  
18 Pub.L. 117-169, and the federal "CHIPS and Science Act of 2022",  
19 Pub.L. 117-167, which create additional demands for skilled talent.

20 (c) Data shows that Colorado currently needs thirty-three thousand  
21 five hundred infrastructure and construction workers, and is projected to  
22 need an additional fifty thousand construction workers by the end of the

1 decade, including an additional twenty thousand clean energy  
2 construction jobs. Colorado is projected to need six thousand ninety-eight  
3 construction laborers alone to respond to "Infrastructure Investment and  
4 Jobs Act" project needs.

5 (d) More skilled talent in infrastructure, advanced manufacturing,  
6 and clean energy is needed for Colorado to take full advantage of federal  
7 investments and achieve Colorado's ambitious housing, climate,  
8 broadband, and infrastructure goals. By investing an additional round of  
9 general fund funding into the opportunity now program, with a focus on  
10 infrastructure and building trades, Colorado makes an important  
11 investment in the workforce needed to build more housing now.

12 (e) Expanding the opportunity now program with a refundable tax  
13 credit expands the scope of this work for years to come. This refundable  
14 tax credit will support qualified applicants in increasing their training  
15 capacity and capabilities so that Colorado has the workforce needed to  
16 respond to federal investments as they break ground and achieve  
17 statewide priorities.

18 (f) The workforce shortage tax credit is intended to continue the  
19 opportunity now program by seeding investments that benefit the  
20 education and training system broadly;

21 (g) The regional talent summit grant program is also created to  
22 affirm Colorado's collaborative, locally-driven, and state-supported  
23 approach to regional talent planning. These summits will allow for  
24 industry, business associations, community-based organizations, talent  
25 development practitioners, local workforce centers, local education  
26 providers, institutions of higher education, and state agencies to identify  
27 the workforce needs and resources of their areas. By seeding new

1 partnerships to develop shared workforce and economic development  
2 goals, these summits will allow Colorado's regions to plan for and  
3 leverage local and state resources to achieve them.

4 (2) Therefore, the regional talent summit grant program and the  
5 workforce shortage tax credit are important tools for Colorado to address  
6 the need for talent acquisition and retention.

7 **SECTION 2.** In Colorado Revised Statutes, 24-48.5-405, **amend**  
8 (1)(c)(II) and (1)(c)(III); and **add** (1)(c)(IV) as follows:

9 **24-48.5-405. Regional talent development initiative grant**  
10 **program - creation - administration - eligibility - application review**  
11 **- report.** (1) (c) In prioritizing grant applications and awarding grants,  
12 the office, in collaboration with the departments and the selection  
13 committee, shall strive to meet the following grant program goals:

14 (II) To create intentional pathways between kindergarten through  
15 twelfth grade education, higher education, and employment that allow  
16 learners and earners to transition more easily into and out of each system  
17 and that ensure a highly skilled and well-educated workforce; ~~and~~

18 (III) To provide more opportunities for regional learners and  
19 earners to be more economically mobile and earn a living wage in an  
20 in-demand, high-skill, high-wage occupation; AND

21 (IV) TO ADDRESS WORKFORCE SHORTAGES IN INFRASTRUCTURE  
22 AND BUILDING TRADES BY CREATING MORE OPPORTUNITIES FOR  
23 WORKFORCE DEVELOPMENT PROJECTS IN THESE TRADES.

24 **SECTION 3.** In Colorado Revised Statutes, 24-48.5-406, **add**  
25 (1)(a.5) as follows:

26 **24-48.5-406. Regional talent development initiative grant**  
27 **program fund - repeal.** (1) (a.5) (I) ON JULY 1, 2024, THE STATE



1           **24-48.5-603. Definitions.** AS USED IN THIS PART 6, UNLESS THE  
2 CONTEXT OTHERWISE REQUIRES:

3           (1) "APPLICANT" MEANS AN ENTITY THAT:

4           (a) HAS THE CAPACITY TO HOST REGIONAL TALENT SUMMITS  
5 ACROSS THE STATE THAT CONVENE TO UNDERSTAND REGIONAL LABOR  
6 MARKET NEEDS IN EACH REGION OF THE STATE OR HAS THE CAPACITY TO  
7 CONVENE, FACILITATE, AND REPORT ON REGIONAL TALENT SUMMIT  
8 FINDINGS; AND

9           (b) APPLIES FOR A GRANT FROM THE GRANT PROGRAM.

10          (2) "FUND" MEANS THE REGIONAL TALENT SUMMIT GRANT  
11 PROGRAM FUND CREATED IN SECTION 24-48.5-605.

12          (3) "GRANT PROGRAM" MEANS THE REGIONAL TALENT SUMMIT  
13 GRANT PROGRAM CREATED IN SECTION 24-48.5-604.

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

16          (5) "PROGRAM FACILITATOR" MEANS AN APPLICANT TO WHICH THE  
17 OFFICE AWARDS A GRANT AND WITH WHICH THE OFFICE CONTRACTS  
18 PURSUANT TO SECTION 24-48.5-604 (2)(a).

19          (6) "REGIONAL HOST" MEANS AN APPLICANT THAT HAS BEEN  
20 GRANTED AN AWARD TO SUPPORT THE COSTS OF HOSTING A REGIONAL  
21 TALENT SUMMIT.

22          (7) "REGIONAL TALENT SUMMIT" MEANS A CONVENING OF STATE  
23 AND REGIONAL STAKEHOLDERS TO DISCUSS THE ECONOMIC AND  
24 WORKFORCE NEEDS OF THEIR REGION AND THE PROGRAMS AND RESOURCES  
25 THAT MIGHT ADDRESS THOSE NEEDS.

26          (8) "SELECTION COMMITTEE" MEANS THE SELECTION COMMITTEE  
27 APPOINTED PURSUANT TO SECTION 24-48.5-604 (4)(a) TO REVIEW AND

1 MAKE RECOMMENDATIONS ABOUT APPLICANTS, TO SELECT AND AWARD A  
2 GRANT TO THE REGIONAL HOST, AND TO SELECT AND AWARD A GRANT TO  
3 THE PROGRAM FACILITATOR.

4 **24-48.5-604. Regional talent summit grant program - creation**  
5 **- administration - eligibility - application review - report.**

6 (1) (a) THERE IS CREATED IN THE OFFICE THE REGIONAL TALENT SUMMIT  
7 GRANT PROGRAM. THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM.  
8 THE SELECTION COMMITTEE APPOINTED PURSUANT TO SUBSECTION (4) OF  
9 THIS SECTION IS RESPONSIBLE FOR MAKING GRANT AWARD DECISIONS IN  
10 ACCORDANCE WITH THIS SECTION.

11 (b) (I) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE  
12 GRANTS TO THE PROGRAM FACILITATOR TO USE TO CONVENE AND  
13 FACILITATE REGIONAL SUMMITS AND DEVELOP A REPORT ON THE FINDINGS  
14 OF THE REGIONAL TALENT SUMMITS AND TO ONE OR MORE REGIONAL  
15 HOSTS TO USE TO SUPPORT SEVEN REGIONAL TALENT SUMMITS.

16 (II) THE OFFICE SHALL REQUIRE THE REGIONAL HOSTS AND THE  
17 PROGRAM FACILITATOR TO COMPLETE ALL REGIONAL TALENT SUMMITS ON  
18 OR BEFORE JULY 1, 2025.

19 (III) THE OFFICE SHALL REQUIRE THE PROGRAM FACILITATOR TO  
20 SUBMIT ITS COMPREHENSIVE TACTICAL PLAN TO THE OFFICE ON OR BEFORE  
21 DECEMBER 1, 2025.

22 (c) IN PRIORITIZING GRANT APPLICATIONS AND AWARDING GRANTS,  
23 THE OFFICE, IN COLLABORATION WITH THE SELECTION COMMITTEE, SHALL  
24 STRIVE TO MEET THE FOLLOWING GRANT PROGRAM GOALS:

25 (I) FOR A GRANT FOR A PROGRAM FACILITATOR:

26 (A) TO UNDERSTAND WORKFORCE DEVELOPMENT NEEDS IN  
27 REGIONS OF THE STATE;



1 (B) TO GENERATE A LANDSCAPE ANALYSIS FOR EACH IDENTIFIED  
2 REGION THAT INCLUDES JOB PROJECTIONS AND AN OVERVIEW OF  
3 EDUCATIONAL PATHWAYS;

4 (C) TO GATHER INSIGHT FROM EMPLOYERS ABOUT CRITICAL  
5 WORKFORCE AND TRAINING NEEDS;

6 (D) TO CREATE REGIONAL GOALS FOR ADDRESSING TALENT NEEDS;

7 (E) TO DEVELOP COMPREHENSIVE TACTICAL PLANS; AND

8 (F) TO SUBMIT THE WORKFORCE PLANS GENERATED BY THE  
9 PROGRAM FACILITATOR AS A RESULT OF THE REGIONAL TALENT SUMMITS  
10 BY DECEMBER 1, 2025, TO THE OFFICE. THE OFFICE SHALL PROVIDE THE  
11 WORKFORCE PLANS TO THE STATE WORKFORCE DEVELOPMENT COUNCIL  
12 WHICH SHALL PUBLISH THE PLANS IN THE COLORADO TALENT REPORT  
13 PREPARED PURSUANT TO SECTION 24-46.3-103 (3) AND SHALL  
14 COORDINATE WITH LOCAL ENTITIES AND ACROSS STATE AGENCIES TO  
15 SUPPORT REGIONAL GOALS.

16 (II) FOR A GRANT FOR A REGIONAL HOST:

17 (A) TO SECURE A FACILITY TO HOST THE REGIONAL SUMMIT;

18 (B) TO DETERMINE RELEVANT PARTNERS TO ATTEND THE  
19 REGIONAL SUMMIT; AND

20 (C) TO GATHER INSIGHT FROM REGIONAL EMPLOYERS ABOUT  
21 WORKFORCE TRAINING NEEDS.

22 (2) THE OFFICE, THROUGH THE SELECTION COMMITTEE, SHALL:

23 (a) AWARD A GRANT TO AND EXECUTE A CONTRACT WITH A  
24 PROGRAM FACILITATOR. THE OFFICE SHALL REQUIRE THE PROGRAM  
25 FACILITATOR TO:

26 (I) WORK WITH THE OFFICE, THE DEPARTMENT OF LABOR AND  
27 EMPLOYMENT, THE DEPARTMENT OF EDUCATION, LOCAL DATA EXPERTS,

1 AND THE DEPARTMENT OF HIGHER EDUCATION TO GENERATE A LANDSCAPE  
2 ANALYSIS FOR EACH IDENTIFIED REGION THAT INCLUDES JOB PROTECTIONS  
3 AND AN OVERVIEW OF EDUCATIONAL PATHWAYS;

4 (II) WORK WITH REGIONAL HOSTS TO PLAN REGIONAL TALENT  
5 SUMMITS;

6 (III) FACILITATE A SUMMIT FOR REGIONAL ATTENDEES TO  
7 IDENTIFY REGIONAL ECONOMIC GOALS AND WORKFORCE DEVELOPMENT  
8 NEEDS;

9 (IV) CREATE ALIGNMENT BETWEEN BUSINESS, EDUCATION,  
10 WORKFORCE, AND COMMUNITY PARTNERS FOR WORKFORCE  
11 DEVELOPMENT; AND

12 (V) DEVELOP COMPREHENSIVE TACTICAL PLANS INFORMED BY THE  
13 RESOURCES AND NEEDS OF EACH REGION THAT SET TWO-YEAR GOALS AND  
14 FIVE-YEAR GOALS FOR DEVELOPING MORE CAREER PATHWAYS IN  
15 HIGH-NEED FIELDS IN EACH REGION INCLUDING A LANDSCAPE ANALYSIS  
16 FOR EACH REGION OF THE STATE THAT IDENTIFIES REGIONAL WORKFORCE  
17 NEEDS, OPPORTUNITIES, AND CHALLENGES.

18 (b) AWARD A GRANT TO ONE OR MORE REGIONAL HOSTS. THE  
19 OFFICE SHALL REQUIRE THE REGIONAL HOSTS TO:

20 (I) SECURE A FACILITY TO HOST EACH REGIONAL SUMMIT;

21 (II) DETERMINE RELEVANT BUSINESS, EDUCATION, WORKFORCE,  
22 AND COMMUNITY PARTNERS TO PARTICIPATE IN EACH REGIONAL SUMMIT;  
23 AND

24 (III) GATHER INSIGHT FROM REGIONAL EMPLOYERS ABOUT  
25 CRITICAL WORKFORCE AND TRAINING NEEDS.

26 (c) ESTABLISH A PROCESS FOR AN APPLICANT TO APPLY FOR A  
27 GRANT TO FUND THE DEVELOPMENT OF REGIONAL TALENT SUMMITS,

1 WHICH APPLICATION PROCESS MUST BE COMPLETED NO LATER THAN  
2 NOVEMBER 1, 2024; AND

3 (d) ESTABLISH POLICIES SETTING FORTH THE PARAMETERS AND  
4 ELIGIBILITY FOR THE GRANT PROGRAM.

5 (3) TO BE ELIGIBLE FOR A GRANT, AN APPLICANT MUST, AT A  
6 MINIMUM, INCLUDE WITH ITS GRANT APPLICATION:

7 (a) A DETAILED PROPOSAL AND OPERATIONS PLAN THAT MEETS  
8 THE GOALS SPECIFIED IN SUBSECTION (1)(c) OF THIS SECTION; AND

9 (b) INFORMATION ABOUT HOW THE PROPOSED REGIONAL TALENT  
10 SUMMIT WILL ADDRESS THE ECONOMIC DEVELOPMENT GOALS OF EACH  
11 REGION.

12 (4) (a) THE OFFICE SHALL APPOINT A SELECTION COMMITTEE  
13 CONSISTING OF MEMBERS WHO REPRESENT THE OFFICE, THE COLORADO  
14 WORKFORCE DEVELOPMENT COUNCIL, LOCAL WORKFORCE DEVELOPMENT  
15 PRACTITIONERS, LOCAL EDUCATION PROVIDERS, INSTITUTIONS OF HIGHER  
16 EDUCATION, EDUCATION-RELATED COMMUNITY-BASED ORGANIZATIONS,  
17 AND THE STATEWIDE CHAMBER OF COMMERCE.

18 (b) THE SELECTION COMMITTEE SHALL REVIEW GRANT  
19 APPLICATIONS IN ACCORDANCE WITH THE PROCESSES AND CRITERIA  
20 SPECIFIED IN AND DEVELOPED PURSUANT TO THIS SECTION AND SHALL  
21 MAKE FINAL DETERMINATIONS AND AWARD GRANTS BASED ON THESE  
22 PROCESSES AND CRITERIA.

23 (c) (I) THE SELECTION COMMITTEE SHALL CONSIDER REGIONAL  
24 DIVERSITY, COMMUNITY ENGAGEMENT, LOCAL PARTNERSHIPS, AND EVENT  
25 CAPACITY WHEN SELECTING ONE OR MORE REGIONAL HOSTS.

26 (II) MEMBERS OF THE SELECTION COMMITTEE SERVE WITHOUT  
27 COMPENSATION BUT ARE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND

1 NECESSARY EXPENSES INCURRED IN THE DISCHARGE OF THE MEMBERS'  
2 DUTIES.

3 **24-48.5-605. Regional talent summit grant program fund.**

4 (1)(a) THERE IS CREATED IN THE STATE TREASURY THE REGIONAL TALENT  
5 SUMMIT GRANT PROGRAM FUND.

6 (b) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER TWO  
7 HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND  
8 FOR GRANTS TO A PROGRAM FACILITATOR AND ONE OR MORE REGIONAL  
9 HOSTS.

10 (c) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO  
11 THE OFFICE FOR USE IN ACCORDANCE WITH THIS PART 6.

12 (2) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,  
13 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF  
14 THIS PART 6.

15 **24-48.5-606. Repeal of part.** THIS PART 6 IS REPEALED, EFFECTIVE  
16 JULY 1, 2030.

17 **SECTION 5.** In Colorado Revised Statutes, 8-83-208, **add** (1)(d)  
18 as follows:

19 **8-83-208. Implementation - local plans.** (1) (d) BEGINNING  
20 JANUARY 1, 2026, ANY MODIFIED OR NEW LOCAL PLAN MUST  
21 INCORPORATE THE TACTICAL PLANS CREATED PURSUANT TO SECTION  
22 24-48.5-604 (2)(a)(V).

23 **SECTION 6.** In Colorado Revised Statutes, **add** 39-22-560 as  
24 follows:

25 **39-22-560. Workforce shortage tax credit - tax preference**  
26 **performance statement - report - definitions - repeal.** (1) **Tax**  
27 **preference performance statement.** IN ACCORDANCE WITH SECTION

1 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX  
2 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT  
3 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL  
4 ASSEMBLY FINDS AND DECLARES THAT:

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

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

9 (II) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR  
10 INDIVIDUALS.

11 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT  
12 ALLOWED BY THIS SECTION IS TO ENCOURAGE WORKFORCE DEVELOPMENT  
13 IN INDUSTRIES THAT ARE FACING WORKER SHORTAGES BY PROVIDING  
14 FINANCIAL ASSISTANCE FOR FACILITY IMPROVEMENT AND EQUIPMENT  
15 ACQUISITION COSTS ASSOCIATED WITH TRAINING PROGRAMS DESIGNED TO  
16 ALLEVIATE WORKER SHORTAGES.

17 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
18 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE  
19 PURPOSES SPECIFIED IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION  
20 BASED ON THE INFORMATION REQUIRED TO BE MAINTAINED AND REPORTED  
21 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

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

24 (a) "APPLICANT" MEANS A PERSON SUBJECT TO TAX PURSUANT TO  
25 THIS ARTICLE 22, AN ENTITY THAT IS EXEMPT FROM TAXATION PURSUANT  
26 TO SECTION 39-22-112 (1), OR A POLITICAL SUBDIVISION OF THE STATE.

27 (b) "APPLICATION" MEANS AN APPLICATION IN THE FORM AND

1 MANNER APPROVED BY THE OFFICE FOR THE TAX CREDIT ALLOWED IN THIS  
2 SECTION.

3 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

4 (d) "FEDERAL INVESTMENTS" MEANS THE FEDERAL  
5 "INFRASTRUCTURE INVESTMENT AND JOBS ACT", PUB.L. 117-58, THE  
6 FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L. 117-169, AND  
7 THE FEDERAL "CHIPS AND SCIENCE ACT OF 2022", PUB.L. 117-167.

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

10 (f) "POTENTIAL QUALIFIED ASSET" MEANS AN ASSET THAT MAY BE  
11 A QUALIFIED ASSET UPON THE DETERMINATION OF THE OFFICE.

12 (g) "QUALIFIED APPLICANT" MEANS AN APPLICANT THAT MAKES  
13 A QUALIFIED INVESTMENT TO TRAIN INDIVIDUALS IN A QUALIFIED  
14 INDUSTRY AND THAT IS SELECTED PURSUANT TO SUBSECTION (5) OF THIS  
15 SECTION.

16 (h) (I) "QUALIFIED ASSET" MEANS:

17 (A) LAND IN THIS STATE;

18 (B) BUILDINGS, FIXTURES, AND OTHER STRUCTURAL COMPONENTS  
19 OF BUILDINGS IN THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A  
20 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE  
21 INTERNAL REVENUE CODE, INCLUDING PURCHASING OR CONSTRUCTING A  
22 FACILITY, RENOVATING A FACILITY, MAKING TENANT IMPROVEMENTS, AND  
23 FUNDING A CAPITAL LEASE WITH CAPITALIZED LABOR, CONSTRUCTION,  
24 AND INSTALLATION COSTS;

25 (C) TANGIBLE PERSONAL PROPERTY ACQUIRED FOR USE  
26 EXCLUSIVELY IN THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A  
27 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE

1 INTERNAL REVENUE CODE; AND

2 (D) COMPUTER SOFTWARE ACQUIRED FOR USE EXCLUSIVELY IN  
3 THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A DEDUCTION FOR  
4 DEPRECIATION UNDER SECTION 167 OF THE INTERNAL REVENUE CODE.

5 (II) FOR PURPOSES OF THIS SUBSECTION (2)(h), IF AN APPLICANT IS  
6 NOT SUBJECT TO FEDERAL INCOME TAX, THE APPLICANT IS DEEMED TO BE  
7 ALLOWED A DEDUCTION FOR DEPRECIATION IF SUCH A DEDUCTION WOULD  
8 HAVE BEEN ALLOWED WERE THE APPLICANT SUBJECT TO FEDERAL INCOME  
9 TAX.

10 (i) "QUALIFIED INDUSTRY" MEANS AN INDUSTRY AFFECTED BY  
11 FEDERAL INVESTMENTS THAT HAS A DEMONSTRATED WORKFORCE  
12 SHORTAGE, AS DETERMINED BY THE OFFICE AS SPECIFIED IN THE POLICIES  
13 AND PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION  
14 (13) OF THIS SECTION.

15 (j) "QUALIFIED INVESTMENT" MEANS THE AMOUNT PAID BY A  
16 QUALIFIED APPLICANT TO ACQUIRE, CONSTRUCT, RECONSTRUCT, OR ERECT  
17 A QUALIFIED ASSET TO THE EXTENT THE AMOUNT PAID REFLECTS NEW  
18 ACTIVITY AND TO THE EXTENT THE AMOUNT IS REQUIRED TO BE  
19 CAPITALIZED PURSUANT TO THE INTERNAL REVENUE CODE OR THE  
20 AMOUNT IS ALLOWED TO BE DEDUCTED UNDER SECTION 179 OF THE  
21 INTERNAL REVENUE CODE.

22 (k) "SELECTION COMMITTEE" MEANS A SELECTION COMMITTEE  
23 APPOINTED BY THE OFFICE CONSISTING OF MEMBERS WHO HAVE EXPERTISE  
24 AND EXPERIENCE AS EMPLOYERS, IN EDUCATION, OR IN OTHER RELEVANT  
25 AREAS.

26 (3) **Tax credit allowed.** (a) A QUALIFIED APPLICANT IS ALLOWED  
27 TO USE A TAX CREDIT CERTIFICATE ISSUED BY THE OFFICE PURSUANT TO

1 SUBSECTION (8) OF THIS SECTION AGAINST THE INCOME TAXES IMPOSED BY  
2 THIS ARTICLE 22 IN THE INCOME TAX YEAR THAT THE QUALIFIED  
3 APPLICANT PLACES A QUALIFIED ASSET IN SERVICE IN THE AMOUNT  
4 SPECIFIED ON THE TAX CREDIT CERTIFICATE ISSUED BY THE OFFICE; EXCEPT  
5 THAT THE TAX CREDIT CERTIFICATE MAY NOT BE USED IN AN INCOME TAX  
6 YEAR COMMENCING BEFORE JANUARY 1, 2026, AND MAY NOT BE USED IN  
7 AN INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2033.

8 (b) IN ORDER TO CLAIM THE TAX CREDIT ALLOWED PURSUANT TO  
9 THIS SECTION, THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION  
10 AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION, PLACE THE QUALIFIED  
11 ASSET INTO SERVICE BEFORE JANUARY 1, 2033, OBTAIN A TAX CREDIT  
12 CERTIFICATE FROM THE OFFICE AS SPECIFIED IN SUBSECTION (8) OF THIS  
13 SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE THE TAX CREDIT  
14 CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS  
15 SPECIFIED IN SUBSECTION (9) OF THIS SECTION.

16 (c) A TAX CREDIT ALLOWED PURSUANT TO THIS SECTION IS  
17 SUBJECT TO RECAPTURE UNDER SUBSECTION (11) OF THIS SECTION IF:

18 (I) THE AMOUNT REFUNDED PURSUANT TO SUBSECTION (10) OF  
19 THIS SECTION IS USED TO SUPPLANT LOCAL, STATE, OR FEDERAL MONEY  
20 THAT WOULD OTHERWISE BE APPROPRIATED; OR

21 (II) THE QUALIFIED APPLICANT EXPENDS MONEY RECEIVED FROM  
22 THE STATE TO OFFSET AT LEAST HALF OF A QUALIFIED INVESTMENT, NOT  
23 INCLUDING THE AMOUNT REFUNDED PURSUANT TO SUBSECTION (10) OF  
24 THIS SECTION.

25 (4) **Tax credit administration.** EXCEPT AS OTHERWISE PROVIDED  
26 IN SUBSECTION (7) OF THIS SECTION, THE OFFICE IS THE ADMINISTRATOR  
27 OF THE TAX CREDIT ALLOWED BY THIS SECTION.



1           **(5) Application submission and review.** (a) AN APPLICANT THAT  
2 INTENDS TO CLAIM A TAX CREDIT PURSUANT TO THIS SECTION SHALL  
3 SUBMIT AN APPLICATION TO THE OFFICE.

4           (b) THE OFFICE SHALL ACCEPT APPLICATIONS FOR ANNUAL  
5 APPLICATION PERIODS BY DEADLINES ESTABLISHED IN THE POLICIES AND  
6 PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION (13)  
7 OF THIS SECTION; EXCEPT THAT THE OFFICE MAY ONLY RECEIVE  
8 APPLICATIONS BETWEEN JANUARY 1, 2025, AND DECEMBER 31, 2029.

9           (c) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS TO  
10 DETERMINE WHETHER:

11           (I) THE APPLICANT IS A QUALIFIED APPLICANT; AND

12           (II) THE APPLICATION IS COMPLETE AND INCLUDES A DESCRIPTION  
13 OF A POTENTIAL QUALIFIED ASSET AND THE ESTIMATED QUALIFIED  
14 INVESTMENT.

15           (d) IF THE OFFICE DETERMINES THAT THE APPLICATION IS  
16 COMPLETE AND IN COMPLIANCE, THE OFFICE SHALL ADD THE APPLICATION  
17 TO AN EVALUATION POOL FOR THE APPLICATION PERIOD. WITHIN A  
18 REASONABLE PERIOD AFTER THE END OF THE APPLICATION PERIOD, THE  
19 OFFICE SHALL FORWARD THE EVALUATION POOL TO THE SELECTION  
20 COMMITTEE FOR THE MERIT-BASED REVIEW DESCRIBED IN SUBSECTION (7)  
21 OF THIS SECTION.

22           (e) IF THE OFFICE DETERMINES THAT THE APPLICATION IS  
23 INCOMPLETE OR THAT IT DOES NOT COMPLY WITH THE REQUIREMENTS OF  
24 THIS SECTION OR THE POLICIES AND PROCEDURES DEVELOPED BY THE  
25 OFFICE PURSUANT TO SUBSECTION (13) OF THIS SECTION, THE OFFICE  
26 SHALL REMOVE THE APPLICATION FROM THE REVIEW PROCESS AND NOTIFY  
27 THE APPLICANT IN WRITING OF ITS DECISION. AN APPLICANT MAY

1 RESUBMIT A DISAPPROVED APPLICATION TO BE EVALUATED IN A FUTURE  
2 APPLICATION PERIOD.

3 (6) **Application and issuance fees.** (a) (I) FOR AN APPLICATION  
4 FOR WHICH THE AMOUNT OF THE TAX CREDIT REQUESTED BY AN  
5 APPLICANT PURSUANT TO THIS SECTION IS TWO HUNDRED FIFTY THOUSAND  
6 DOLLARS OR MORE, THE OFFICE MAY IMPOSE A REASONABLE APPLICATION  
7 FEE ON AN APPLICANT THAT DOES NOT EXCEED FIVE HUNDRED DOLLARS.

8 (II) FOR AN APPLICATION FOR WHICH THE AMOUNT OF THE TAX  
9 CREDIT REQUESTED BY AN APPLICANT PURSUANT TO THIS SECTION IS LESS  
10 THAN TWO HUNDRED FIFTY THOUSAND DOLLARS, THE OFFICE MAY IMPOSE  
11 A REASONABLE APPLICATION FEE ON AN APPLICANT THAT DOES NOT  
12 EXCEED TWO HUNDRED DOLLARS.

13 (b) THE OFFICE MAY IMPOSE ON A QUALIFIED APPLICANT A  
14 REASONABLE ISSUANCE FEE OF UP TO THREE PERCENT OF THE AMOUNT OF  
15 THE TAX CREDIT SPECIFIED ON THE TAX CREDIT CERTIFICATE ISSUED BY  
16 THE OFFICE AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION, WHICH MUST  
17 BE PAID BEFORE THE TAX CREDIT CERTIFICATE IS ISSUED TO THE QUALIFIED  
18 APPLICANT.

19 (c) ANY FEE REVENUE COLLECTED PURSUANT TO THIS SUBSECTION  
20 (6) MUST BE APPLIED TO THE ADMINISTRATION OF THE TAX CREDIT  
21 CREATED BY THIS SECTION.

22 (7) **Merit-based review and tax credit reservation.** (a) (I) FOR  
23 EACH APPLICATION PERIOD, THE SELECTION COMMITTEE SHALL CONDUCT  
24 A MERIT-BASED REVIEW OF THE APPLICATIONS THAT HAVE BEEN PLACED  
25 IN THE EVALUATION POOL PURSUANT TO SUBSECTION (5)(d) OF THIS  
26 SECTION. THE SELECTION COMMITTEE SHALL COMPLETE ITS REVIEW AND  
27 AWARD RESERVATIONS WITHIN A REASONABLE PERIOD AFTER THE END OF

1 THE APPLICATION PERIOD, NOT TO EXCEED NINETY DAYS.

2 (II) EXCEPT AS PROVIDED IN SUBSECTION (7)(a)(IV) OF THIS  
3 SECTION, BASED UPON THE TOTALITY OF THE FACTORS SET FORTH IN  
4 SUBSECTION (7)(c) OF THIS SECTION, THE SELECTION COMMITTEE MAY  
5 RESERVE FOR THE BENEFIT OF A QUALIFIED APPLICANT A TAX CREDIT IN AN  
6 AMOUNT TO BE DETERMINED BY THE SELECTION COMMITTEE NOT TO  
7 EXCEED FIFTY PERCENT OF THE ESTIMATED QUALIFIED INVESTMENT;  
8 EXCEPT THAT THE AGGREGATE AMOUNT OF TAX CREDITS RESERVED FOR  
9 ALL QUALIFIED APPLICANTS IN AN ANNUAL APPLICATION PERIOD MAY NOT  
10 EXCEED FIFTEEN MILLION DOLLARS.

11 (III) THE SELECTION COMMITTEE MAY RESERVE TAX CREDITS TO  
12 BE USED BY A QUALIFIED APPLICANT FOR INCOME TAX YEARS  
13 COMMENCING ON OR AFTER JANUARY 1, 2026, BUT BEFORE JANUARY 1,  
14 2033, BASED UPON THE ANTICIPATED DATE THE QUALIFIED ASSET IS  
15 PLACED INTO SERVICE.

16 (IV) IF THE SEPTEMBER 2025 REVENUE FORECAST, AND EACH  
17 SEPTEMBER REVENUE FORECAST THROUGH THE SEPTEMBER 2028  
18 REVENUE FORECAST AS PREPARED BY EITHER LEGISLATIVE COUNCIL STAFF  
19 OR THE OFFICE OF STATE PLANNING AND BUDGETING, PROJECTS THAT  
20 STATE REVENUES, AS DEFINED IN SECTION 24-77-201 (4), WILL NOT  
21 INCREASE BY AT LEAST FOUR PERCENT FOR THE CURRENT FISCAL YEAR,  
22 THE AGGREGATE AMOUNT OF TAX CREDITS RESERVED FOR ALL QUALIFIED  
23 APPLICANTS IN THE APPLICATION PERIOD COMMENCING IN THE CALENDAR  
24 YEAR THAT BEGINS DURING THE CURRENT FISCAL YEAR IS REDUCED BY  
25 FIFTY PERCENT; EXCEPT THAT IF THE AMOUNT OF A REDUCED TAX CREDIT  
26 RESERVATION IS EQUAL TO OR LESS THAN FIVE HUNDRED DOLLARS, THEN  
27 THE SELECTION COMMITTEE SHALL NOT ISSUE A TAX CREDIT RESERVATION.

1 (b) (I) IF THE SELECTION COMMITTEE RESERVES TAX CREDITS FOR  
2 THE BENEFIT OF A QUALIFIED APPLICANT UNDER SUBSECTION (7)(a) OF  
3 THIS SECTION, THE SELECTION COMMITTEE SHALL NOTIFY THE OFFICE OF  
4 THE RESERVATION AND THE AMOUNT OF TAX CREDITS RESERVED. THE  
5 OFFICE SHALL NOTIFY THE QUALIFIED APPLICANT OF THE TAX CREDIT  
6 RESERVATION. THE RESERVATION OF A TAX CREDIT DOES NOT ENTITLE THE  
7 QUALIFIED APPLICANT TO AN ISSUANCE OF A TAX CREDIT CERTIFICATE  
8 UNTIL THE QUALIFIED APPLICANT COMPLIES WITH ALL THE REQUIREMENTS  
9 SPECIFIED IN THIS SECTION, BY THE SELECTION COMMITTEE, OR BY THE  
10 OFFICE, FOR THE ISSUANCE OF A TAX CREDIT CERTIFICATE PURSUANT TO  
11 SUBSECTION (8) OF THIS SECTION.

12 (II) THE OFFICE SHALL NOTIFY ANY QUALIFIED APPLICANT IN  
13 WRITING FOR WHICH THE SELECTION COMMITTEE RESERVED NO TAX  
14 CREDIT UNDER SUBSECTION (7)(a) OF THIS SECTION.

15 (c) (I) IN CONDUCTING THE MERIT-BASED REVIEW PURSUANT TO  
16 SUBSECTION (7)(a) OF THIS SECTION, THE SELECTION COMMITTEE SHALL  
17 CONSIDER THE FACTORS SET FORTH IN THIS SUBSECTION (7)(c) IN  
18 ADDITION TO ANY OTHER FACTORS THE SELECTION COMMITTEE MAY  
19 REQUEST THE OFFICE TO INCLUDE IN ITS POLICIES AND PROCEDURES  
20 DEVELOPED PURSUANT TO SUBSECTION (13) OF THIS SECTION. THE  
21 SELECTION COMMITTEE MAY WEIGH THE FACTORS EQUALLY OR  
22 DIFFERENTLY.

23 (II) THE SELECTION COMMITTEE SHALL CONSIDER:

24 (A) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED  
25 INVESTMENT WILL INFLUENCE COMPETITIVENESS IN A QUALIFIED  
26 INDUSTRY;

27 (B) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED

1 INVESTMENT WILL RESULT IN INCREASED JOB PLACEMENTS IN QUALIFIED  
2 INDUSTRIES OR INCREASED JOB PLACEMENTS WITH A LIVING WAGE IN  
3 QUALIFIED INDUSTRIES;

4 (C) THE TYPE, SCOPE, AND QUALITY OF THE QUALIFIED  
5 APPLICANT'S QUALIFIED ASSET AND THE RESULTING TRAINING OF  
6 INDIVIDUALS IN A QUALIFIED INDUSTRY; AND

7 (D) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED  
8 INVESTMENT WILL RESULT IN INCREASED TRAINING AND WORKFORCE  
9 DEVELOPMENT IN A QUALIFIED INDUSTRY.

10 (d) THE SELECTION COMMITTEE MAY IMPOSE ADDITIONAL  
11 REQUIREMENTS ON THE QUALIFIED APPLICANT AS A CONDITION OF  
12 AWARDING THE TAX CREDIT RESERVATION PURSUANT TO THIS SUBSECTION  
13 (7).

14 (8) **Proof of compliance - audit of eligible expenditure**  
15 **certification - issuance of tax credit certificate.** AFTER A QUALIFIED  
16 APPLICANT PLACES A POTENTIAL QUALIFIED ASSET IN SERVICE, THE  
17 QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE POTENTIAL  
18 QUALIFIED ASSET HAS BEEN PLACED IN SERVICE AND SHALL CERTIFY THE  
19 QUALIFIED INVESTMENT, AFTER WHICH THE OFFICE SHALL MAKE A FINAL  
20 DETERMINATION WHETHER THE POTENTIAL QUALIFIED ASSET IS A  
21 QUALIFIED ASSET. THE QUALIFIED APPLICANT SHALL INCLUDE A REVIEW  
22 OF THE CERTIFICATION BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT  
23 THAT IS NOT AFFILIATED WITH THE QUALIFIED APPLICANT AND THAT  
24 ALIGNS WITH OFFICE POLICIES FOR CERTIFICATION OF A QUALIFIED  
25 INVESTMENT. THE QUALIFIED APPLICANT SHALL ALSO CERTIFY AND  
26 PROVIDE DOCUMENTS DEMONSTRATING THAT THE QUALIFIED APPLICANT  
27 SATISFIED ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE SELECTION

1 COMMITTEE PURSUANT TO SUBSECTION (7) OF THIS SECTION. WITHIN A  
2 REASONABLE TIME AFTER RECEIPT OF SUCH DOCUMENTATION FROM THE  
3 QUALIFIED APPLICANT, THE OFFICE SHALL REVIEW THE QUALIFIED  
4 APPLICANT'S DOCUMENTATION OF CERTIFIED QUALIFIED INVESTMENT,  
5 DETERMINE WHETHER THE DOCUMENTATION SATISFIES THE  
6 REQUIREMENTS OF THE OFFICE, AND, IF THE OFFICE DETERMINES THAT THE  
7 DOCUMENTATION SATISFIES THE REQUIREMENTS OF THE OFFICE, THE  
8 OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE IN THE AMOUNT SPECIFIED  
9 IN THE TAX CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT  
10 PURSUANT TO SUBSECTION (7) OF THIS SECTION; EXCEPT THAT A TAX  
11 CREDIT CERTIFICATE MAY NOT BE ISSUED FOR AN INCOME TAX YEAR  
12 COMMENCING BEFORE JANUARY 1, 2026, OR FOR AN INCOME TAX YEAR  
13 COMMENCING ON OR AFTER JANUARY 1, 2033.

14 (9) **Filing tax credit certificate with income tax return.** (a) IN  
15 ORDER TO CLAIM THE TAX CREDIT AUTHORIZED BY THIS SECTION, A  
16 QUALIFIED APPLICANT SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY  
17 THE OFFICE PURSUANT TO SUBSECTION (8) OF THIS SECTION WITH THE  
18 QUALIFIED APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED  
19 APPLICANT IS A POLITICAL SUBDIVISION OF THE STATE OR IS EXEMPT FROM  
20 TAX PURSUANT TO SECTION 39-22-112 (1), THE QUALIFIED APPLICANT  
21 SHALL FILE A RETURN PURSUANT TO SECTION 39-22-601 (7)(b). THE  
22 AMOUNT OF THE TAX CREDIT THAT A QUALIFIED APPLICANT MAY CLAIM  
23 PURSUANT TO THIS SECTION IS THE AMOUNT STATED ON THE TAX CREDIT  
24 CERTIFICATE.

25 (b) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A  
26 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE  
27 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,

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

6 (10) **Refundability.** IF THE AMOUNT OF THE TAX CREDIT ALLOWED  
7 PURSUANT TO THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES  
8 OTHERWISE DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE  
9 INCOME TAX YEAR FOR WHICH THE TAX CREDIT IS BEING CLAIMED, OR THE  
10 QUALIFIED APPLICANT IS A POLITICAL SUBDIVISION OF THE STATE OR A  
11 PERSON WHO IS EXEMPT FROM TAXATION PURSUANT TO SECTION  
12 39-22-112 (1), THE AMOUNT OF THE TAX CREDIT NOT USED AS AN OFFSET  
13 AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO THE  
14 QUALIFIED APPLICANT.

15 (11) **Compliance monitoring and recapture.** (a) EXCEPT AS  
16 PROVIDED IN SUBSECTION (11)(b) OF THIS SECTION, IF, AS OF THE LAST  
17 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE  
18 EQUIPMENT, BUILDING, STRUCTURE, OR FACILITY THAT WAS DEEMED A  
19 QUALIFIED ASSET IS NOT BEING USED AS A QUALIFIED ASSET, THE OFFICE  
20 SHALL NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT  
21 THE TAX CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE  
22 QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF THE TAX CREDIT  
23 THAT WAS ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S  
24 INCOME TAX OR REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN  
25 AS A RECAPTURED TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX  
26 CREDIT IS DISALLOWED PURSUANT TO THIS SUBSECTION (11).

27 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO

1 SUBSECTION (11)(a) OF THIS SECTION DOES NOT APPLY:

2 (I) IF A BUILDING, STRUCTURE, OR FACILITY IS NOT A QUALIFIED  
3 ASSET AS A RESULT OF A CASUALTY LOSS IF THE LOSS IS RESTORED BY  
4 RECONSTRUCTION OR REPLACEMENT WITHIN A REASONABLE PERIOD  
5 ESTABLISHED BY THE OFFICE; OR

6 (II) SOLELY BY REASON OF THE DISPOSITION OF A BUILDING,  
7 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IF IT IS REASONABLY  
8 EXPECTED THAT THE BUILDING, STRUCTURE, OR FACILITY WILL CONTINUE  
9 TO BE OPERATED AS A QUALIFIED ASSET FOR THE REMAINDER OF THE  
10 COMPLIANCE PERIOD.

11 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS  
12 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (11) THAT SHALL  
13 INCLUDE:

14 (A) A DISPOSITION OF A QUALIFIED ASSET BY THE QUALIFIED  
15 APPLICANT;

16 (B) THE NUMBER OF ANNUAL TRAINEES WHO HAVE USED A  
17 QUALIFIED ASSET;

18 (C) THE GEOGRAPHIC DISTRIBUTION OF TRAINEES WHO HAVE USED  
19 A QUALIFIED ASSET;

20 (D) DEMOGRAPHIC INFORMATION ABOUT THE TRAINEES WHO HAVE  
21 USED A QUALIFIED ASSET;

22 (E) THE LOCATION AND DISPOSITION OF ASSETS DISPLACED BY A  
23 QUALIFIED ASSET, IF ANY; AND

24 (F) TO THE EXTENT A QUALIFIED ASSET IS USED TO EXPAND OR  
25 CREATE A TRAINING FACILITY, AN ASSESSMENT OF TRAINING CAPACITY  
26 PRIOR TO IMPLEMENTATION OF THE QUALIFIED ASSET.

27 (II) IF A DISPUTE ARISES ABOUT WHETHER A POTENTIAL QUALIFIED



1 ASSET IS A QUALIFIED ASSET, THE OFFICE SHALL ADJUDICATE THE DISPUTE  
2 AND NOTIFY THE DEPARTMENT OF THE RESOLUTION.

3 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A QUALIFIED  
4 ASSET IS DISPOSED OF DURING ANY TAXABLE YEAR DURING THE  
5 COMPLIANCE PERIOD, AND THEREAFTER THE ASSET IS NOT A QUALIFIED  
6 ASSET:

7 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF  
8 THE TAX CREDIT TO ITS RETURN AS A RECAPTURED TAX CREDIT FOR THE  
9 TAXABLE YEAR IN WHICH THE TAX CREDIT IS DISALLOWED PURSUANT TO  
10 THIS SUBSECTION (11) NOTWITHSTANDING THE DISPOSITION OF THE  
11 QUALIFIED ASSET;

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

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

21 (d) AS USED IN THIS SUBSECTION (11), UNLESS THE CONTEXT  
22 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF  
23 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED  
24 APPLICANT PLACED THE QUALIFIED ASSET IN SERVICE.

25 (12) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2025, AND,  
26 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO  
27 LATER THAN DECEMBER 31 OF EACH YEAR THEREAFTER THROUGH 2033,

1 THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL  
2 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE  
3 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS  
4 SECTION, THE REPORT MUST INCLUDE:

- 5 (I) THE NUMBER OF QUALIFIED ASSETS PLACED IN SERVICE;
- 6 (II) A DESCRIPTION OF THE USE OR USES OF EACH QUALIFIED ASSET  
7 AND A STATEWIDE SUMMARY OF THE NUMBER OF QUALIFIED ASSETS FOR  
8 EACH USE; AND
- 9 (III) THE AMOUNT OF ANY DISALLOWED TAX CREDIT RECAPTURED  
10 PURSUANT TO SUBSECTION (11) OF THIS SECTION.

11 (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO  
12 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME  
13 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH  
14 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE  
15 OFFICE ISSUES A TAX CREDIT 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 TAX CREDIT; AND
- 19 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR  
20 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL  
21 EMPLOYER IDENTIFICATION NUMBER.

22 (c) THE OFFICE, THE OFFICE OF THE STATE AUDITOR, OR THE OFFICE  
23 OF THE STATE CONTROLLER MAY REVIEW THE QUALIFIED APPLICANT'S  
24 FINANCES, EXPENSES, EQUIPMENT, EMPLOYMENT, AND TRAINING  
25 DOCUMENTATION RELATING TO A QUALIFIED INVESTMENT IN A QUALIFIED  
26 ASSET.

27 (13) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND

1 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO  
2 FURTHER ADMINISTER THE TAX CREDITS ALLOWED PURSUANT TO THIS  
3 SECTION AND SHALL SOLICIT ADVICE FROM THE DEPARTMENT IN CREATING  
4 AND MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

5 (b) THE OFFICE SHALL DEVELOP STANDARDS FOR DETERMINING  
6 WHICH INDUSTRIES ARE INCLUDED AS A QUALIFIED INDUSTRY FOR WHICH  
7 A TAX CREDIT UNDER THIS SECTION IS ALLOWED TO A QUALIFIED  
8 APPLICANT.

9 (c) ANY STANDARDS DEVELOPED BY THE OFFICE PURSUANT TO  
10 THIS SUBSECTION (13) MUST BE POSTED ON THE OFFICE'S WEBSITE. THE  
11 OFFICE MAY ANNUALLY REVIEW AND UPDATE AS NECESSARY STANDARDS  
12 DEVELOPED PURSUANT TO THIS SUBSECTION (13).

13 (d) THE OFFICE SHALL DETERMINE THE ANNUAL APPLICATION  
14 PERIOD.

15 (14) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER  
16 31, 2050.

17 **SECTION 7.** In Colorado Revised Statutes, 39-22-601, **amend**  
18 (7)(b) as follows:

19 **39-22-601. Returns - repeal.** (7) (b) The executive director may  
20 require a person or organization NOT SUBJECT TO TAX UNDER THIS  
21 ARTICLE 22 OR A PERSON OR ORGANIZATION exempt from taxes pursuant  
22 to section 39-22-112 to make and file a return containing such  
23 information as the executive director may prescribe to claim a credit  
24 allowed under this article 22 even if the person or organization does not  
25 have unrelated business income.

26 **SECTION 8. Act subject to petition - effective date.** This act  
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly; except  
2 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
3 of the state constitution against this act or an item, section, or part of this  
4 act within such period, then the act, item, section, or part will not take  
5 effect unless approved by the people at the general election to be held in  
6 November 2024 and, in such case, will take effect on the date of the  
7 official declaration of the vote thereon by the governor.