

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

REVISED

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

LLS NO. 25-0391.01 Caroline Martin x5902

HOUSE BILL 25-1005

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A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF TAX INCENTIVES TO SUPPORT THE**
102 **FILM FESTIVAL INDUSTRY.**

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 a new refundable tax credit only if at least one qualified film festival with a multi-decade operating history and a verifiable track record of attracting 100,000 or more in-person ticket sales and over 10,000 out-of-state and international attendees (global film festival) commences the relocation of the festival to Colorado by January 1, 2026. Upon relocation, for calendar years commencing on or after

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.

SENATE
2nd Reading Unamended
March 27, 2025

HOUSE
3rd Reading Unamended
March 13, 2025

HOUSE
Amended 2nd Reading
March 12, 2025

January 1, 2027, but before January 1, 2037, the maximum aggregate amount of refundable tax credits that any qualified global film festival entity is eligible to receive is \$34 million and the maximum aggregate amount that all existing or small Colorado festival entities collectively may receive is \$5 million.

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

SECTION 1. In Colorado Revised Statutes, 24-48.5-116, **amend** (5)(b) as follows:

24-48.5-116. Film, television, and media - performance-based incentive for film production in Colorado - Colorado office of film, television, and media operational account cash fund - creation - definition. (5) (b) The ~~moneys~~ MONEY in the fund shall be annually appropriated to the office for the operation of the office, for the performance-based incentive for film production in Colorado as specified in subsection (1) of this section, ~~and~~ for the loan guarantee program as specified in section 24-48.5-115 (3), **AND FOR OTHER PROGRAMMING CARRIED OUT BY THE OFFICE IN ACCORDANCE WITH SECTION 24-48.5-115 (2).**

SECTION 2. In Colorado Revised Statutes, **add** 39-22-571 as follows:

39-22-571. Film festival incentive tax credit - tax preference performance statement - legislative declaration - definitions - repeal.

(1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(I) COLORADO'S FILM FESTIVAL INDUSTRY HAS THE ABILITY TO BE A TRUE ECONOMIC DRIVER IN THE STATE; AND

(II) BY PROVIDING A TAX INCENTIVE TO BIG FILM FESTIVALS TO RELOCATE TO COLORADO, A SINGLE BIG FESTIVAL COULD BRING OVER TWENTY THOUSAND OUT OF STATE VISITORS, LEADING TO A BOOST IN

1 LOCAL ECONOMIES, AN INCREASE IN SALES AND USE TAX REVENUE, AND
2 JOB CREATION.

3 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
4 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
5 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
6 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
7 DECLARES THAT THE PURPOSE OF THE TAX CREDITS PROVIDED FOR IN THIS
8 SECTION IS TO INDUCE DESIGNATED BEHAVIOR BY TAXPAYERS AND TO
9 PROVIDE A REDUCTION IN INCOME TAX LIABILITY FOR CERTAIN BUSINESSES
10 OR INDIVIDUALS BY ALLOWING FILM FESTIVAL ORGANIZERS TO RECEIVE A
11 CREDIT AGAINST INCOME TAX OR AN INCOME TAX REFUND FOR QUALIFIED
12 EXPENDITURES IF CERTAIN CRITERIA ARE MET. SPECIFICALLY, THESE TAX
13 EXPENDITURES ARE INTENDED TO INCENTIZE FILM FESTIVAL ORGANIZERS
14 TO RELOCATE TO COLORADO AND, IN PARTICULAR, FOR BIG FILM
15 FESTIVALS TO BOOST LOCAL ECONOMIES, INCREASE SALES AND USE TAX
16 REVENUE, AND CREATE NEW JOBS.

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 SUBSECTION (1)(b) OF THIS SECTION BASED ON THE
20 AMOUNT OF QUALIFIED EXPENDITURES MADE IN COLORADO, THE NUMBER
21 OF VISITORS ATTENDING FILM FESTIVALS IN THE STATE, AND THE AMOUNT
22 OF STATE AND LOCAL SALES AND USE TAX COLLECTED THAT CAN BE
23 ATTRIBUTED TO SUCH FILM FESTIVALS.

24 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
25 REQUIRES:

26 (a) "EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY"
27 MEANS A FILM FESTIVAL ENTITY THAT IS NOT A GLOBAL FILM FESTIVAL

1 ENTITY. AN EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY MAY
2 BE AN ENTITY THAT PROVIDES VIDEO, TELEVISION, NEW MEDIA, OR
3 CONTENT CREATION EXHIBITION.

4 (b) "GLOBAL FILM FESTIVAL ENTITY" MEANS A FILM FESTIVAL
5 ENTITY THAT:

6 (I) IS EITHER A TAX-EXEMPT ENTITY UNDER SECTION 501 (c)(3) OF
7 THE INTERNAL REVENUE CODE OR A FOR-PROFIT ENTITY; AND

8 (II) HAS A MULTI-DECADE OPERATING HISTORY AND A VERIFIABLE
9 ANNUAL TRACK RECORD OF ATTRACTING ONE HUNDRED THOUSAND OR
10 MORE IN-PERSON TICKET SALES AND TENS OF THOUSANDS OF
11 OUT-OF-STATE AND INTERNATIONAL ATTENDEES FOR THE FILM FESTIVAL.

12

13 (c) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
14 DEVELOPMENT CREATED IN SECTION 24-48.5-101 (1).

15 (d) "QUALIFIED EXPENDITURE" MEANS A PAYMENT MADE BY A
16 GLOBAL FILM FESTIVAL ENTITY OR AN EXISTING OR SMALL COLORADO
17 FILM FESTIVAL ENTITY OPERATING IN COLORADO IN CONNECTION WITH
18 THE FILM FESTIVAL TAKING PLACE IN COLORADO. QUALIFIED
19 EXPENDITURES FOR AN EXISTING OR SMALL COLORADO FILM FESTIVAL ARE
20 LIMITED TO THOSE INCURRED IN COLORADO IN ACCORDANCE WITH
21 POLICIES AND PROCEDURES DETERMINED BY THE OFFICE. "QUALIFIED
22 EXPENDITURE" INCLUDES, BUT IS NOT LIMITED TO:

23 (I) SALARIES AND BENEFITS OF EMPLOYEES OF THE ENTITY THAT
24 OPERATES THE FESTIVAL;

25 (II) COSTS ASSOCIATED WITH CONTRACTORS THAT FACILITATE THE
26 OPERATION OF THE FESTIVAL;

27 (III) COSTS ASSOCIATED WITH THE RENTAL OF FILMS, EQUIPMENT,

1 STORAGE, VENUES, AND OFFICE OR OTHER SPACE TO OPERATE THE
2 FESTIVAL;

3 (IV) COSTS ASSOCIATED WITH RENTAL EXPENSES OR BUILDING
4 OPERATION EXPENSES OF THE ENTITY THAT OPERATES THE FESTIVAL;

5 (V) TRAVEL EXPENSES FOR INDIVIDUALS ASSOCIATED WITH THE
6 ENTITY THAT OPERATES THE FESTIVAL, INCLUDING TRAVEL EXPENSES FOR
7 CONTRACTORS AND TALENT;

8 (VI) ANY OTHER COSTS INCURRED BY THE ENTITY ASSOCIATED
9 WITH INSURANCE, TICKETS, MARKETING, AND OTHER RELATED FILM
10 PROGRAMMING EVENTS;

11 (VII) CAPITAL COSTS TO OPERATE THE FILM FESTIVAL IN
12 COLORADO; AND

13 (VIII) DEPRECIABLE INVESTMENTS IN REAL OR BUSINESS
14 PERSONAL PROPERTY IN COLORADO THAT ARE NEEDED TO OPERATE THE
15 FILM FESTIVAL.

16 (3) (a) SUBJECT TO SUBSECTION (3)(e) OF THIS SECTION, FOR TAX
17 YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, BUT BEFORE
18 JANUARY 1, 2037, THERE IS ALLOWED A CREDIT WITH RESPECT TO INCOME
19 TAXES IMPOSED PURSUANT TO THIS ARTICLE 22 TO ANY GLOBAL FILM
20 FESTIVAL ENTITY OR EXISTING OR SMALL COLORADO FILM FESTIVAL
21 ENTITY THAT RECEIVES A TAX CREDIT CERTIFICATE PURSUANT TO THIS
22 SECTION IN THE AMOUNT OF THE TAX CREDIT CERTIFICATE.

23 (b) THE OFFICE MAY RESERVE A TAX CREDIT FOR THE BENEFIT OF
24 ANY GLOBAL FILM FESTIVAL ENTITY PURSUANT TO SUBSECTION (6) OF THIS
25 SECTION SUBJECT TO THE FOLLOWING LIMITS:

26 (I) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY 1,
27 2027, BUT BEFORE JANUARY 1, 2029, THE AGGREGATE AMOUNT OF TAX

1 CREDIT THAT MAY BE RESERVED IS FOUR MILLION DOLLARS PER YEAR;

2 (II) FOR THE CALENDAR YEAR COMMENCING ON JANUARY 1, 2029,

3 THE AGGREGATE AMOUNT OF TAX CREDIT THAT MAY BE RESERVED IS FIVE

4 MILLION DOLLARS; AND

5 (III) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY

6 1, 2030, BUT BEFORE JANUARY 1, 2037, THE AGGREGATE AMOUNT OF TAX

7 CREDIT THAT MAY BE RESERVED IS THREE MILLION DOLLARS PER YEAR.

8 (c) SUBJECT TO SUBSECTION (3)(e) OF THIS SECTION, THE OFFICE

9 MAY RESERVE A TAX CREDIT FOR THE BENEFIT OF ANY EXISTING OR SMALL

10 COLORADO FILM FESTIVAL ENTITY PURSUANT TO SUBSECTION (7) OF THIS

11 SECTION. FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY 1,

12 2027, BUT BEFORE JANUARY 1, 2037, THE AGGREGATE AMOUNT OF TAX

13 CREDIT THAT MAY BE RESERVED PURSUANT TO THIS SUBSECTION (3)(c) IS

14 FIVE HUNDRED THOUSAND DOLLARS PER YEAR.

15 (d) THE TAX CREDIT ALLOWED PURSUANT TO THIS SECTION SHALL

16 BE ADMINISTERED BY THE OFFICE JOINTLY WITH THE COLORADO OFFICE OF

17 FILM, TELEVISION, AND MEDIA AND THE DIVISION OF BUSINESS FUNDING

18 AND INCENTIVES, OR THEIR SUCCESSOR DIVISIONS OR OFFICES.

19 (e) THE TAX CREDIT CREATED IN THIS SECTION IS NOT ALLOWED TO

20 ANY QUALIFIED APPLICANT UNLESS AT LEAST ONE QUALIFIED GLOBAL FILM

21 FESTIVAL ENTITY COMMENCES THE RELOCATION OF THE FESTIVAL TO

22 COLORADO BY JANUARY 1, 2026. THE OFFICE SHALL DETERMINE IF THE

23 RELOCATION REQUIREMENT OF THIS SUBSECTION (3)(e) IS SATISFIED AND

24 NOTIFY THE DEPARTMENT.

25 (4) (a) SUBJECT TO THE PROGRAM POLICIES AND PROCEDURES

26 ESTABLISHED BY THE OFFICE, A GLOBAL FILM FESTIVAL ENTITY OR AN

27 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY MAY BE ALLOWED

1 A TAX CREDIT FOR EACH TAX YEAR IN WHICH THE GLOBAL FILM FESTIVAL
2 ENTITY OR EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY HOSTS
3 A FILM FESTIVAL IN COLORADO. A GLOBAL FILM FESTIVAL ENTITY OR AN
4 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY MAY BE ALLOWED
5 AN ADDITIONAL TAX CREDIT IN THE SUBSEQUENT TAX YEAR WITH RESPECT
6 TO ANY QUALIFIED EXPENDITURES INCURRED IN THAT YEAR.

7 (b) FOR PURPOSES OF THIS SECTION, WHEN DETERMINING THE
8 AMOUNT OF TAX CREDIT FOR WHICH A GLOBAL FILM FESTIVAL ENTITY OR
9 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY IS ELIGIBLE, ANY
10 QUALIFIED EXPENDITURE THAT OCCURRED IN THE ELEVEN MONTHS PRIOR
11 TO THE COMMENCEMENT OF A TAX YEAR IN WHICH THE FILM FESTIVAL
12 ENTITY HOSTED A FILM FESTIVAL IN COLORADO MAY BE ADDED TO THE
13 QUALIFIED EXPENDITURES THAT OCCURRED DURING THE TAX YEAR IN
14 WHICH THE FILM FESTIVAL ENTITY HOSTED A FILM FESTIVAL IN COLORADO.

15 (c) ONLY ONE CREDIT IS ALLOWED IN ACCORDANCE WITH THIS
16 SECTION WITH RESPECT TO A QUALIFIED EXPENDITURE.

17 (5) (a) THE OFFICE SHALL DEVELOP AND PUBLISH PROGRAM
18 POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THIS SECTION,
19 INCLUDING APPLICATION GUIDELINES FOR A GLOBAL FILM FESTIVAL ENTITY
20 AND FOR AN EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY
21 APPLYING TO RECEIVE A TAX CREDIT RESERVATION OR ISSUANCE UNDER
22 THIS SECTION. THE OFFICE MAY INCLUDE GUARDRAILS OR REQUIREMENTS
23 THAT THE APPLICANT MUST SATISFY BEFORE A TAX CREDIT RESERVATION
24 OR ISSUANCE OCCURS.

25 (b) WHEN DETERMINING THE PRIORITY AND AMOUNT OF A
26 RESERVATION OF A TAX CREDIT FOR AN EXISTING OR SMALL COLORADO
27 FILM FESTIVAL ENTITY, IF THERE ARE MORE REQUESTS FOR TAX CREDIT

1 RESERVATIONS THAN THERE ARE RESERVATIONS AVAILABLE, THE OFFICE
2 MUST PROVIDE PRIORITY TO EXISTING OR SMALL COLORADO FILM
3 FESTIVAL ENTITIES ACCORDING TO A COMPETITIVE EVALUATION. THE
4 OFFICE SHALL EVALUATE APPLICATIONS BASED ON THE FOLLOWING
5 CRITERIA AND SHALL PRIORITIZE APPLICATIONS FROM AN ENTITY THAT:

6 (I) FACES A SUBSTANTIAL MARKET OR ENVIRONMENTAL CHANGE
7 THAT DEMONSTRATIVELY IMPACTS THE ONGOING VIABILITY OF THE ENTITY
8 AND IS OUTSIDE OF THE ENTITY'S CONTROL;

9 (II) DEMONSTRATES HISTORIC COMMUNITY AND ECONOMIC
10 IMPACT, WITH SPECIAL CONSIDERATION BEING GIVEN TO AN ENTITY THAT
11 HAS RUN A FESTIVAL FOR MORE THAN TEN YEARS;

12 (III) DEMONSTRATES INNOVATION AND UNIQUENESS;

13 (IV) INCREASES GEOGRAPHIC EQUITY; OR

14 (V) DEMONSTRATES COMMUNITY SUPPORT THROUGH LETTERS OF
15 RECOMMENDATION INCLUDING, BUT NOT LIMITED TO, LETTERS THAT
16 INCLUDE DEMONSTRATIONS OF HISTORIC AND ECONOMIC IMPACT FROM:

17 (A) A LOCAL ELECTED OFFICIAL, SUCH AS A MAYOR; OR

18 (B) A LOCAL GOVERNING BODY, SUCH AS A CITY COUNCIL OR
19 BOARD OF COUNTY COMMISSIONERS.

20 (6) (a) FOR A GLOBAL FILM FESTIVAL ENTITY TO CLAIM A TAX
21 CREDIT PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE GLOBAL FILM
22 FESTIVAL ENTITY MUST APPLY TO THE OFFICE FOR THE RESERVATION OF A
23 TAX CREDIT AT A TIME AND IN A MANNER DETERMINED IN THE PROGRAM
24 POLICIES AND PROCEDURES. A GLOBAL FILM FESTIVAL ENTITY MAY
25 REQUEST RESERVATIONS OF TAX CREDITS IN AN AMOUNT UP TO
26 THIRTY-FOUR MILLION DOLLARS IN ACCORDANCE WITH SUBSECTION (3) OF
27 THIS SECTION. THE APPLICATION MUST INCLUDE A STATEMENT OF INTENT

1 BY THE GLOBAL FILM FESTIVAL ENTITY TO ORGANIZE A FESTIVAL IN
2 COLORADO. THE GLOBAL FILM FESTIVAL ENTITY MUST SUBMIT, IN
3 CONJUNCTION WITH THE APPLICATION, ANY DOCUMENTATION NECESSARY
4 TO DEMONSTRATE THAT IT MEETS THE DEFINITION OF A GLOBAL FILM
5 FESTIVAL ENTITY, AS DEFINED IN SUBSECTION (2)(a) OF THIS SECTION, AND
6 ANY OTHER INFORMATION REQUIRED BY THE OFFICE. IF THE OFFICE IS
7 MAKING A MULTI-YEAR TAX CREDIT RESERVATION, IT SHALL DOCUMENT
8 THE MULTI-YEAR TAX CREDIT RESERVATION IN A WRITTEN TAX CREDIT
9 AGREEMENT.

10 (b) THE OFFICE SHALL REVIEW EACH TAX CREDIT RESERVATION
11 APPLICATION SUBMITTED BY A GLOBAL FILM FESTIVAL ENTITY AND, BASED
12 ON THE INFORMATION PROVIDED IN THE APPLICATION, THE OFFICE SHALL
13 MAKE A DETERMINATION OF WHETHER THE GLOBAL FILM FESTIVAL ENTITY
14 WILL RECEIVE A TAX CREDIT RESERVATION AND THE AMOUNT OF THAT
15 RESERVATION. THE OFFICE MUST ESTABLISH AND PROVIDE WRITTEN
16 NOTICE TO THE GLOBAL FILM FESTIVAL ENTITY OF THE MINIMUM FESTIVAL
17 OPERATING REQUIREMENTS AS PART OF THE RESERVATION PROCESS FOR
18 THE GLOBAL FILM FESTIVAL ENTITY TO RECEIVE A TAX CREDIT, WHICH
19 MAY INCLUDE, BUT ARE NOT LIMITED TO, THE NUMBER OF FILMS REQUIRED
20 TO BE SCREENED, THE MARKETING BUDGET, THE LENGTH OF THE FESTIVAL
21 IN DAYS, THE LOCATION OF THE FESTIVAL, THE TIME DURING THE YEAR
22 WHEN THE FESTIVAL IS REQUIRED TO TAKE PLACE, AND OTHER
23 GUARDRAILS AS DETERMINED BY THE OFFICE.

24 (c) UPON COMPLETION OF THE QUALIFIED EXPENDITURES, A
25 GLOBAL FILM FESTIVAL ENTITY THAT RECEIVED A TAX CREDIT
26 RESERVATION FROM THE OFFICE MUST RETAIN A CERTIFIED PUBLIC
27 ACCOUNTANT LICENCED TO PRACTICE IN THE STATE OR A CERTIFIED

1 PUBLIC ACCOUNTING FIRM THAT IS REGISTERED IN THE STATE TO REVIEW
2 AND REPORT IN WRITING, AND IN ACCORDANCE WITH PROFESSIONAL
3 STANDARDS, REGARDING THE ACCURACY OF THE FINANCIAL DOCUMENTS
4 THAT DETAIL THE EXPENSES INCURRED IN THE COURSE OF THE
5 ORGANIZATION OF THE FILM FESTIVAL IN COLORADO. THE CERTIFIED
6 PUBLIC ACCOUNTANT'S WRITTEN REPORT MUST INCLUDE DOCUMENTATION
7 OF THE GLOBAL FILM FESTIVAL ENTITY'S QUALIFIED EXPENDITURES. THIS
8 REPORT MUST ALSO SHOW WHICH QUALIFIED EXPENDITURES OCCURRED
9 WITHIN COLORADO AND WHICH OCCURRED OUTSIDE COLORADO
10 ACCORDING TO STANDARDS DEVELOPED BY THE OFFICE.

11 (d) A GLOBAL FILM FESTIVAL ENTITY SHALL APPLY TO THE OFFICE
12 FOR TAX CREDIT ISSUANCE IN ACCORDANCE WITH THE PROGRAM POLICIES
13 AND PROCEDURES.

14 (e) WHEN THE OFFICE IS SATISFIED THAT THE GLOBAL FILM
15 FESTIVAL ENTITY IS ELIGIBLE FOR A REFUNDABLE TAX CREDIT, THE OFFICE
16 SHALL ISSUE TO THE GLOBAL FILM FESTIVAL ENTITY A TAX CREDIT
17 CERTIFICATE THAT EVIDENCES THE GLOBAL FILM FESTIVAL ENTITY'S RIGHT
18 TO CLAIM THE TAX CREDIT ALLOWED UNDER SUBSECTION (3) OF THIS
19 SECTION. THE AMOUNT OF THE TAX CREDIT IS THE LESSER OF THE
20 QUALIFIED EXPENDITURES CALCULATED PURSUANT TO SUBSECTION (4) OF
21 THIS SECTION OR THE AMOUNT OF THE TAX CREDIT RESERVED PURSUANT
22 TO SUBSECTION (6)(b) OF THIS SECTION. THE TAX CREDIT CERTIFICATE
23 MUST INCLUDE THE TAXPAYER'S NAME, THE TAXPAYER'S SOCIAL SECURITY
24 NUMBER OR FEDERAL EMPLOYER IDENTIFICATION NUMBER, THE APPROVED
25 TAX CREDIT AMOUNT, AND THE INCOME TAX YEAR FOR WHICH THE TAX
26 CREDIT IS BEING ALLOWED.

27 (7) (a) AN EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY

1 MAY APPLY TO THE OFFICE FOR THE RESERVATION OF A TAX CREDIT AT A
2 TIME AND IN A MANNER DETERMINED BY THE OFFICE AND PUBLISHED IN
3 THE PROGRAM POLICIES AND PROCEDURES. AN EXISTING OR SMALL
4 COLORADO FILM FESTIVAL ENTITY MAY REQUEST A RESERVATION OF A
5 TAX CREDIT FOR UP TO FIVE HUNDRED THOUSAND DOLLARS OR ANOTHER
6 MAXIMUM AMOUNT AS DETERMINED BY THE OFFICE. THE APPLICATION
7 MUST INCLUDE A STATEMENT OF INTENT BY THE EXISTING OR SMALL
8 COLORADO FILM FESTIVAL ENTITY TO ORGANIZE A FESTIVAL IN
9 COLORADO.

10 (b) THE OFFICE SHALL REVIEW EACH APPLICATION FOR A TAX
11 CREDIT RESERVATION SUBMITTED BY AN EXISTING OR SMALL COLORADO
12 FILM FESTIVAL ENTITY AND, BASED ON THE INFORMATION PROVIDED IN
13 THE APPLICATION, THE OFFICE SHALL MAKE A DETERMINATION OF
14 WHETHER THE EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY WILL
15 BE ELIGIBLE TO RECEIVE A TAX CREDIT AND THE AMOUNT OF THE TAX
16 CREDIT RESERVATION THAT WILL BE GRANTED TO THE EXISTING OR SMALL
17 COLORADO FILM FESTIVAL ENTITY. THE OFFICE SHALL INFORM THE
18 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY IN WRITING AS TO
19 WHETHER IT HAS APPROVED OR DENIED THE APPLICATION FOR A TAX
20 CREDIT RESERVATION, THE AMOUNT OF THE RESERVATION IF APPROVED,
21 AND THE YEARS OF THE RESERVATION. IF THE OFFICE IS MAKING A
22 MULTI-YEAR TAX CREDIT RESERVATION, IT SHALL DOCUMENT THE
23 MULTI-YEAR TAX CREDIT RESERVATION IN A WRITTEN CONDITIONAL
24 AGREEMENT. THE OFFICE MAY ESTABLISH AND PROVIDE WRITTEN NOTICE
25 TO THE EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY OF THE
26 MINIMUM FESTIVAL OPERATING REQUIREMENTS AS PART OF THE
27 RESERVATION PROCESS FOR THE EXISTING OR SMALL COLORADO FILM

1 FESTIVAL ENTITY TO RECEIVE A TAX CREDIT WHICH MAY INCLUDE, BUT
2 ARE NOT LIMITED TO, THE NUMBER OF FILMS REQUIRED TO BE SCREENED,
3 THE MARKETING BUDGET, THE LENGTH OF THE FESTIVAL IN DAYS, THE
4 LOCATION OF THE FESTIVAL, THE TIME DURING THE YEAR WHEN THE
5 FESTIVAL IS REQUIRED TO TAKE PLACE, AND ANY OTHER GUARDRAILS AS
6 DETERMINED BY THE OFFICE.

7 (c) UPON COMPLETION OF THE QUALIFIED EXPENDITURES, AN
8 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY THAT RECEIVED
9 APPROVAL FOR A TAX CREDIT RESERVATION FROM THE OFFICE MUST
10 RETAIN A CERTIFIED PUBLIC ACCOUNTANT LICENCED TO PRACTICE IN THE
11 STATE OR A CERTIFIED PUBLIC ACCOUNTING FIRM THAT IS REGISTERED IN
12 THE STATE TO REVIEW AND REPORT IN WRITING, AND IN ACCORDANCE
13 WITH PROFESSIONAL STANDARDS, REGARDING THE ACCURACY OF THE
14 FINANCIAL DOCUMENTS THAT DETAIL THE EXPENSES INCURRED IN THE
15 COURSE OF THE ORGANIZATION OF THE FILM FESTIVAL IN COLORADO. THE
16 CERTIFIED PUBLIC ACCOUNTANT'S WRITTEN REPORT MUST INCLUDE
17 DOCUMENTATION OF THE EXISTING OR SMALL COLORADO FILM FESTIVAL
18 ENTITY'S QUALIFIED EXPENDITURES. THIS REPORT MUST ALSO SHOW
19 WHICH QUALIFIED EXPENDITURES OCCURRED WITHIN COLORADO
20 ACCORDING TO STANDARDS DEVELOPED BY THE OFFICE.

21 (d) THE EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY
22 SHALL APPLY TO THE OFFICE FOR TAX CREDIT ISSUANCE IN ACCORDANCE
23 WITH THE PROGRAM POLICIES AND PROCEDURES.

24 (e) WHEN THE OFFICE IS SATISFIED THAT AN EXISTING OR SMALL
25 COLORADO FILM FESTIVAL ENTITY IS ELIGIBLE FOR A TAX CREDIT, THE
26 OFFICE SHALL ISSUE TO THE EXISTING OR SMALL COLORADO FILM FESTIVAL
27 ENTITY A REFUNDABLE TAX CREDIT CERTIFICATE THAT EVIDENCES THE

1 EXISTING OR SMALL COLORADO FILM FESTIVAL ENTITY'S RIGHT TO CLAIM
2 THE TAX CREDIT ALLOWED UNDER SUBSECTION (3) OF THIS SECTION. THE
3 AMOUNT OF THE TAX CREDIT IS THE LESSER OF THE QUALIFIED
4 EXPENDITURES CALCULATED PURSUANT TO SUBSECTION (4) OF THIS
5 SECTION OR THE AMOUNT OF THE TAX CREDIT RESERVED PURSUANT TO
6 SUBSECTION (7)(b) OF THIS SECTION. THE TAX CREDIT CERTIFICATE MUST
7 INCLUDE THE TAXPAYER'S NAME, THE TAXPAYER'S SOCIAL SECURITY
8 NUMBER OR FEDERAL EMPLOYER IDENTIFICATION NUMBER, THE APPROVED
9 TAX CREDIT AMOUNT, AND THE CALENDAR YEAR FOR WHICH THE TAX
10 CREDIT IS BEING ALLOWED.

11 (8) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
12 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED GLOBAL FILM
13 FESTIVAL ENTITY OR EXISTING OR SMALL COLORADO FILM FESTIVAL
14 ENTITY, OR THE ENTITY IS A TAX-EXEMPT ENTITY UNDER SECTION 501
15 (c)(3) OF THE INTERNAL REVENUE CODE THAT DOES NOT PAY COLORADO
16 STATE INCOME TAXES, THE EXCESS TAX CREDIT MAY NOT BE CARRIED
17 FORWARD AND ONE HUNDRED PERCENT OF THE UNCLAIMED VALUE OF THE
18 TAX CREDIT SHALL BE REFUNDED BY THE DEPARTMENT TO THE FILM
19 FESTIVAL ENTITY. A TAX-EXEMPT ENTITY SHALL FILE A RETURN PURSUANT
20 TO SECTION 39-22-601 (7)(b).

21 (9) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2041.

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2026 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.