

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. 24-1007.01 Pierce Lively x2059

HOUSE BILL 24-1314

HOUSE SPONSORSHIP

Lukens and Martinez,

SENATE SPONSORSHIP

Gonzales,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING EXPANDING THE INCOME TAX CREDIT FOR QUALIFIED

102 COSTS INCURRED IN PRESERVATION OF HISTORIC STRUCTURES.

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 modifies the income tax credit for qualified costs incurred in preservation of historic structures (credit) by:

- Modifying the requirement that a qualified commercial or residential structure be at least 50 years old to instead require a qualified commercial or residential structure to be 30 years old;

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.

- Extending the period for which a taxpayer may claim the credit through income tax years commencing prior to January 1, 2037;
- Extending the period for which the Colorado office of economic development may reserve the credit through December 31, 2032;
- Limiting the credit to apply to past rehabilitation expenditures that occurred 12, rather than 24, months prior to the submission of an application for the credit on or after January 1, 2026;
- Preventing a person from submitting an application for the credit on or after January 1, 2025, in connection with an already completed rehabilitation project;
- Increasing the amount of the credit that may be awarded for residential rehabilitation expenditures from \$50,000 to \$100,000, beginning with credits that are awarded on or after January 1, 2025;
- Removing the 5% increase in the percentage of applicable rehabilitation expenses incurred in a rehabilitation in a disaster area under the credit for rehabilitations made in connection with an application for the credit submitted on or after January 1, 2025;
- For tax years commencing on or after January 1, 2027, allowing the credit for qualified residential structures to be refundable rather than able to be carried forward; and
- For calendar years commencing on or after January 1, 2025, but before January 1, 2030, establishing a second income tax credit pool of \$5 million annually that is reserved for an owner of a qualified commercial structure that is rehabilitated so that at least 50% of the square footage of the qualified commercial structure will be net new housing rental units, and, if the qualified commercial structure is subject to a deed restriction that requires the owner to lease rental housing to individuals with an income below a certain amount, the taxpayer claiming the credit may claim 5% more of the qualified expenditures.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-514.5, **amend**
3 (2)(j)(I), (2)(l)(I), (2)(n), (3), (5)(a) introductory portion, (5.5)(a)(I),
4 (5.5)(a)(II), (6)(c), (7)(a), (7)(a.5), (7)(b), (8)(a), (8)(b) introductory

1 portion, (8)(c)(II), (8)(c)(IV)(B), (11), (12)(a) introductory portion,
2 (12)(a)(III), (12)(b), and (14); **repeal** (5.5)(b) and (8)(f); and **add** (5)(b.5),
3 (8)(c)(V), (12)(a.5), (16), and (17) as follows:

4 **39-22-514.5. Tax credit for qualified costs incurred in**
5 **preservation of historic structures - commercial historic preservation**
6 **tax credit program cash fund - short title - definitions.**

7 (2) **Definitions.** As used in this section, unless the context otherwise
8 requires:

9 (j) "Qualified commercial structure" means an income producing
10 or commercial property located in Colorado that is:

11 (I) At least ~~fifty~~ THIRTY years old; and

12 (l) "Qualified residential structure" means a nonincome producing
13 and owner-occupied residential property located in Colorado that is:

14 (I) At least ~~fifty~~ THIRTY years old; and

15 (n) "Rehabilitation plan" OR "PLAN" means construction plans and
16 specifications for the proposed rehabilitation of a qualified structure that
17 ~~is~~ ARE in sufficient detail to enable the office or the reviewing entity, as
18 applicable, to evaluate whether the structure is in compliance with the
19 standards developed under subsection (4) of this section.

20 (3) **General provisions.** For income tax years commencing on or
21 after January 1, 2016, but prior to ~~January 1, 2030~~ JANUARY 1, 2037, there
22 shall be allowed a credit with respect to the income taxes imposed
23 pursuant to this article 22 to each owner of a qualified structure that
24 complies with the requirements of this section.

25 (5) **Submission by owner of application and rehabilitation**
26 **plan.** (a) The owner shall submit an application and rehabilitation plan
27 to either the office for a qualified commercial structure or to the

1 reviewing entity for a qualified residential structure, along with an
2 estimate of the qualified rehabilitation expenditures under the
3 rehabilitation plan. ~~THE IF AN APPLICATION AND REHABILITATION PLAN IS~~
4 FOR A QUALIFIED COMMERCIAL STRUCTURE, THE OWNER SHALL SPECIFY
5 WHETHER THE OWNER IS SEEKING TO RESERVE A CREDIT ALLOWED
6 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION OR A CREDIT ALLOWED
7 PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION, AND AN OWNER
8 MAY ONLY APPLY FOR ONE OF THESE TWO CREDITS FOR A SINGLE
9 QUALIFIED REHABILITATION PLAN AS DESCRIBED IN SUBSECTION (7) OF
10 THIS SECTION. AN owner, at the owner's own risk, may incur qualified
11 rehabilitation expenditures no earlier than twenty-four months prior to the
12 submission of the application and rehabilitation plan ~~THAT AN OWNER~~
13 SUBMITS PRIOR TO JANUARY 1, 2026, AND NO EARLIER THAN TWELVE
14 MONTHS PRIOR TO THE SUBMISSION OF THE APPLICATION AND
15 REHABILITATION PLAN ~~THAT AN OWNER SUBMITS ON OR AFTER JANUARY~~
16 1, 2026, but only if satisfactory documentation is submitted to the office
17 or the reviewing entity, as applicable, indicating the condition of the
18 qualified structure prior to commencement of the rehabilitation, including
19 but not limited to photographs of the qualified structure and written
20 declarations from persons knowledgeable about the qualified structure.
21 An owner may submit an application and rehabilitation plan and may
22 commence rehabilitation before the property:

23 (b.5) ON OR AFTER JANUARY 1, 2025, AN OWNER SHALL NOT
24 SUBMIT AN APPLICATION AND REHABILITATION PLAN FOR AN ALREADY
25 COMPLETED REHABILITATION PROJECT.

26 **(5.5) Issuance of tax credit certificate for qualified residential**
27 **structures - rules.** (a) (I) Following the completion of a rehabilitation of

1 a qualified residential structure, the owner shall notify the reviewing
2 entity that the rehabilitation has been completed and shall certify that the
3 qualified rehabilitation expenditures incurred in connection with the
4 rehabilitation plan. The owner shall also provide the reviewing entity with
5 a cost and expense certification for the total qualified rehabilitation
6 expenditures and the total amount of tax credits for which the owner is
7 eligible. The reviewing entity shall review the documentation of the
8 rehabilitation and verify its compliance with the rehabilitation plan.
9 Except as otherwise provided in ~~subsection (5.5)(a)(H)~~ SUBSECTIONS
10 (5.5)(a)(II) AND (5.5)(a)(III) of this section, within ninety days after
11 receipt of the foregoing documentation from the owner the reviewing
12 entity shall issue a tax credit certificate in an amount equal to twenty
13 percent of the actual qualified rehabilitation expenditures; except that the
14 amount of the tax credit certificate AWARDED FOR TAX YEARS
15 COMMENCING BEFORE JANUARY 1, 2025, shall not exceed fifty thousand
16 dollars for each qualified residential structure, ~~which amount is THE~~ THE
17 AMOUNT OF THE TAX CREDIT CERTIFICATE AWARDED FOR TAX YEARS
18 COMMENCING ON OR AFTER JANUARY 1, 2025, SHALL NOT EXCEED ONE
19 HUNDRED THOUSAND DOLLARS FOR EACH QUALIFIED RESIDENTIAL
20 STRUCTURE, AND BOTH THE FIFTY THOUSAND DOLLAR AND ONE HUNDRED
21 THOUSAND DOLLAR AMOUNTS ARE to be calculated over a ten-year rolling
22 period that commences with each change in ownership of the qualified
23 residential structure.

24 (II) For income tax years commencing prior to January 1, 2030,
25 AND FOR APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (5) OF THIS
26 SECTION PRIOR TO JANUARY 1, 2025, with respect to a qualified residential
27 structure located in an area that the president of the United States has

1 determined to be a major disaster area under section 102 (2) of the federal
2 "Robert T. Stafford Disaster Relief and Emergency Assistance Act", 42
3 U.S.C. sec. 5121 et seq., or that is located in an area that the governor has
4 determined to be a disaster area under the "Colorado Disaster Emergency
5 Act", part 7 of article 33.5 of title 24, the amount of the tax credit
6 specified in subsection (5.5)(a)(I) of this section is increased to
7 twenty-five percent for an application that is filed within six years after
8 the disaster determination.

9 (b) ~~Notwithstanding any other provision of law, a taxpayer may~~
10 ~~claim the benefits offered by either subsection (5.5)(a)(II) or (5.5)(a)(III)~~
11 ~~of this section but shall not claim the benefits offered by both subsections~~
12 ~~(5.5)(a)(II) and (5.5)(a)(III) of this section.~~

13 **(6) Application and issuance fees for qualified commercial**
14 **structures.** (c) The office may impose on the owner a reasonable
15 issuance fee of up to three percent of the amount of the tax credit issued,
16 which must be paid before the tax credit is issued to the owner. With
17 respect to both an application fee and an issuance fee, the office shall
18 share on an equal basis any such fees collected with the historical society
19 and the department. ~~Money~~ MONEY collected from such fees must be
20 CREDITED TO THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT
21 PROGRAM CASH FUND CREATED IN SUBSECTION (17) OF THIS SECTION AND
22 applied to the administration of the tax credit created by this section.

23 **(7) Reservation of tax credits for qualified rehabilitation plans**
24 **for qualified commercial structures.** (a) In the case of a qualified
25 commercial structure, a reservation of tax credits is permitted in
26 accordance with the provisions of this subsection (7). The office and the
27 historical society shall review the application and rehabilitation plan for

1 a qualified commercial structure to determine that the information
2 contained in the application and plan is complete. If the office and the
3 historical society determine that the application and rehabilitation plan are
4 complete, the office shall reserve for the benefit of the owner an
5 allocation of a tax credit as provided in subsection (12)(a) OR (12)(a.5) of
6 this section AND SUBSECTION (8)(c)(II) OF THIS SECTION, and the office
7 shall notify the owner in writing of the amount of the reservation. The
8 reservation of tax credits does not entitle the owner to an issuance of ~~any~~
9 A tax ~~credits~~ CREDIT until the owner complies with all ~~of~~ the other
10 requirements specified in this section for the issuance of the tax credit.
11 The office ~~must~~ SHALL SEPARATELY reserve tax credits ALLOWED
12 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION AND TAX CREDITS
13 ALLOWED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION in the
14 order in which it receives completed applications and rehabilitation plans
15 FOR EACH OF THOSE TWO CATEGORIES OF CREDITS. The office shall issue
16 ~~any such~~ A reservation of tax credits authorized by this subsection (7)
17 within a reasonable time, not to exceed ninety days after the filing of a
18 completed application and rehabilitation plan. The office shall stamp each
19 completed application and plan with the date and time it receives the
20 application and plan and shall review a plan and application on the basis
21 of the order in which ~~such~~ THE documents were submitted by date and
22 time. The office shall only review an application and plan submitted in
23 connection with a property for which a property address, legal
24 description, or other specific location is provided in the application and
25 plan AND FOR WHICH THE OWNER HAS SPECIFIED THE CATEGORY OF CREDIT
26 SOUGHT AS REQUIRED BY SUBSECTION (5)(a) OF THIS SECTION. The owner
27 shall not request the review of another property for approval in the place

1 of the property that is the subject of the application and plan. Any
2 application and plan disapproved by the office will be removed from the
3 review process, and the office shall notify the owner in writing of the
4 decision to remove the property from the review process. Disapproved
5 applications and plans lose their priority in the review process. An owner
6 may resubmit a ~~disapproved~~ MODIFIED application and plan, but ~~such~~ A
7 resubmitted application and plan is ~~deemed to be~~ a new submission for
8 purposes of the priority procedures described in this subsection (7)(a). If
9 a resubmitted application and plan are submitted, the office may charge
10 a new application fee in an amount specified in accordance with
11 subsection (6) of this section.

12 (a.5) In the case of any project for a qualified commercial
13 structure the qualified rehabilitation expenditures for which amount to
14 less than fifty thousand dollars, if the total number of applications for
15 such projects that are received but not reserved ~~reach~~ FOR CREDITS
16 ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR (12)(b) OF THIS
17 SECTION REACHES fifteen, ~~in number~~ the office may suspend the
18 submission of additional applications FOR THAT CREDIT FOR such projects
19 until such time as ~~these~~ THE fifteen projects have been duly reserved or
20 disapproved. The notification period that is specified in subsection (5)(c)
21 of this section is extended to one hundred twenty days after receipt of the
22 application and rehabilitation plan for ~~these~~ THE fifteen projects. Any
23 application for a qualified commercial structure the qualified
24 rehabilitation expenditures for which amount to fifty thousand or more
25 dollars is not subject to this subsection (7)(a.5).

26 (b) If, for any calendar year, the aggregate amount of reservations
27 for tax credits ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR

1 (12)(a.5) OF THIS SECTION THAT the office has approved is equal to the
2 total amount of tax credits available for reservation PURSUANT TO THE
3 APPLICABLE SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION during that
4 calendar year, the office shall notify all owners who have submitted
5 applications and rehabilitation plans FOR RESERVATION OF A TAX CREDIT
6 ALLOWED PURSUANT TO THE APPLICABLE SUBSECTION (12)(a) OR (12)(a.5)
7 OF THIS SECTION then awaiting approval or submitted for approval after
8 the calculation is made that no additional approvals of applications and
9 plans for reservations of tax credits will be granted during that calendar
10 year. ~~and~~ The office shall additionally notify the owner of the priority
11 number given to the owner's application and plan then awaiting approval.
12 The applications and plans ~~will~~ remain in priority status for two years
13 from the date of the original application and plan and ~~will be~~ ARE
14 considered for reservations of tax credits in the priority order established
15 in this subsection (7) ~~in the event that~~ IF additional credits become
16 available resulting from the rescission of approvals under subsection
17 (8)(a) of this section or because a new allocation of tax credits for a
18 calendar year becomes available.

19 **(8) Deadline for incurring specified amount of estimated costs**
20 **of rehabilitation - proof of compliance - audit of cost and expense**
21 **certification - issuance of tax credit certificate - commercial**
22 **structures.** (a) ~~Any~~ AN owner receiving a reservation of tax credits
23 under subsection (7)(a) of this section shall incur not less than twenty
24 percent of the estimated costs of rehabilitation contained in the
25 application and rehabilitation plan not later than eighteen months after the
26 date of issuance of the written notice from the office to the owner
27 granting the reservation of tax credits. ~~Any~~ AN owner receiving a

1 reservation of tax credits shall submit evidence of compliance with the
2 provisions of this subsection (8)(a). If the office determines that an owner
3 has failed to comply with the requirements of this subsection (8)(a), the
4 office may rescind the issuance it previously gave the owner approving
5 the reservation of tax credits and, if so, the total amount of tax credits
6 made available PURSUANT TO SUBSECTION (12)(a) OR (12)(a.5) OF THIS
7 SECTION, AS APPLICABLE, for the calendar year for which reservations may
8 be granted must be increased by the amount of the tax credits rescinded.
9 The office shall promptly notify any owner whose reservation of tax
10 credits has been rescinded and, upon receipt of the notice, the owner may
11 submit a new application and plan for which the office may charge a new
12 application fee in accordance with subsection (6) of this section.

13 (b) Following the completion of a rehabilitation of a qualified
14 commercial structure, the owner shall notify the office that the
15 rehabilitation has been completed and shall certify the qualified
16 rehabilitation costs and expenses. ~~The cost and expense certification must~~
17 ~~be audited by a licensed certified public accountant that is not affiliated~~
18 ~~with the owner.~~ THE APPLICANT SHALL INCLUDE A REVIEW OF THE
19 CERTIFICATION BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT IS
20 NOT AFFILIATED WITH THE QUALIFIED APPLICANT, AND THE REVIEW OF THE
21 CERTIFICATION MUST ALIGN WITH OFFICE POLICIES FOR CERTIFICATION OF
22 QUALIFIED REHABILITATION EXPENDITURES. The office and the historical
23 society shall review the documentation of the rehabilitation and the
24 historical society shall verify that the documentation satisfies the
25 rehabilitation plan. Within ninety days after receipt of such
26 documentation from the owner, the office shall issue a tax credit
27 certificate in an amount equal to the following subject to subsection (8)(c)

1 of this section:

2 (c) Notwithstanding subsection (8)(b) of this section:

3 (II) The amount of a tax credit certificate to be issued PURSUANT
4 TO SUBSECTION (12)(a) OF THIS SECTION for any one qualified commercial
5 structure shall not exceed one million dollars, ~~in any one calendar year~~,
6 and THE AMOUNT OF A TAX CREDIT CERTIFICATE TO BE ISSUED PURSUANT
7 TO SUBSECTION (12)(a.5) OF THIS SECTION FOR ANY ONE QUALIFIED
8 REHABILITATION PLAN SHALL NOT EXCEED ONE MILLION FIVE HUNDRED
9 THOUSAND DOLLARS IN ANY ONE CALENDAR YEAR;

10 (IV) For income tax years commencing on or after January 1,
11 2020, with respect to a certified historic structure that is a qualified
12 commercial structure that is located in a rural community, the tax credit
13 amounts specified in subsections (8)(b)(I) and (8)(b)(II) of this section
14 must be increased as follows for an application that is properly filed in
15 accordance with this section:

16 (B) The twenty percent credit amount specified in subsection
17 (8)(b)(II) of this section is increased to thirty percent; AND

18 (V) FOR A TAX CREDIT ALLOWED PURSUANT TO SUBSECTION
19 (12)(a.5) OF THIS SECTION ONLY, IF, DUE TO A REGULATORY REQUIREMENT
20 OR CONDITION OF FINANCING, THE QUALIFIED COMMERCIAL STRUCTURE
21 FOR WHICH THE TAX CREDIT IS CLAIMED IS SUBJECT TO A DEED
22 RESTRICTION THAT REQUIRES THE OWNER TO LEASE RENTAL HOUSING
23 UNITS IN THE QUALIFIED COMMERCIAL STRUCTURE ONLY TO INDIVIDUALS
24 OR HOUSEHOLDS WHOSE INCOME IS BELOW A SPECIFIED AMOUNT, THEN
25 THE AMOUNT OF THE TAX CREDIT SPECIFIED IN SUBSECTION (8)(b) OF THIS
26 SECTION, AS INCREASED PURSUANT TO SUBSECTION (8)(c)(III) OR
27 (8)(c)(IV) OF THIS SECTION, IF APPLICABLE, IS INCREASED BY AN

1 ADDITIONAL FIVE PERCENT.

2 (f) ~~Notwithstanding any other provision of law, a taxpayer may~~
3 ~~claim the benefits offered by either subsection (8)(c)(III) or (8)(c)(IV) of~~
4 ~~this section but shall not claim the benefits offered by both subsections~~
5 ~~(8)(c)(III) and (8)(c)(IV) of this section.~~

6 (11) **Residential and commercial.** (a) FOR TAX YEARS
7 COMMENCING PRIOR TO JANUARY 1, 2027, the entire tax credit to be issued
8 under this section for either a qualified residential structure or a qualified
9 commercial structure may be claimed by the owner in the taxable year in
10 which the certified rehabilitation is placed in service. If the amount of the
11 credit allowed under this section exceeds the amount of income taxes
12 otherwise due on the income of the owner in the income tax year for
13 which the credit is being claimed, the amount of the credit not used as an
14 offset against income taxes in said income tax year may be carried
15 forward as a credit against subsequent years' income tax liability for a
16 period not to exceed ten years and will be applied to the earliest income
17 tax years possible. Any amount of the credit that is not used after such
18 period shall not be refunded to the owner.

19 (b) (I) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
20 2027, THE ENTIRE TAX CREDIT TO BE ISSUED UNDER THIS SECTION FOR
21 EITHER A QUALIFIED RESIDENTIAL STRUCTURE OR A QUALIFIED
22 COMMERCIAL STRUCTURE MAY BE CLAIMED BY THE OWNER IN THE TAX
23 YEAR IN WHICH THE CERTIFIED REHABILITATION IS PLACED IN SERVICE.

24 (II) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
25 FOR A QUALIFIED COMMERCIAL STRUCTURE, BUT NOT A QUALIFIED
26 RESIDENTIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES
27 OTHERWISE DUE ON THE INCOME OF THE OWNER IN THE INCOME TAX YEAR

1 FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT
2 NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX
3 YEAR MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT
4 YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED TEN YEARS
5 AND SHALL BE APPLIED TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
6 ANY AMOUNT OF THE CREDIT THAT IS NOT USED AFTER SUCH PERIOD
7 SHALL NOT BE REFUNDED TO THE OWNER.

8 (III) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS
9 SECTION FOR A QUALIFIED RESIDENTIAL STRUCTURE, BUT NOT A QUALIFIED
10 COMMERCIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES
11 OTHERWISE DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE
12 INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE
13 AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES
14 IN THE INCOME TAX YEAR IS REFUNDED TO THE QUALIFIED APPLICANT.

15 **(12) Limit on aggregate amount of all tax credits that may be
16 reserved for qualified commercial structures - assignability and
17 transferability of tax credits for qualified commercial structures - tax
18 preference performance statement - legislative declaration.**

19 (a) Except as otherwise provided in ~~this subsection (12)~~ SUBSECTIONS
20 (12)(a.5) AND (12)(b) OF THIS SECTION, the aggregate amount of all tax
21 credits in any ~~tax~~ CALENDAR year that may be reserved for qualified
22 commercial structures by the office upon the certification of all
23 rehabilitation plans under subsection (7)(a) of this section for such
24 structures must not exceed:

25 (III) For qualified commercial structures estimating qualified
26 rehabilitation expenditures in any amount, ten million dollars in the
27 aggregate for each of the 2020 through 2029 2032 calendar years, in

1 addition to the amount of any previously reserved tax credits that were
2 rescinded under subsection (8)(a) of this section during the applicable
3 calendar year; except that the aggregate amount of the ten million dollars
4 in tax credits in any tax year that may be reserved by the office must be
5 equally split between qualified commercial structures for which the
6 estimated qualified rehabilitation expenditures are equal to or less than
7 two million dollars and qualified commercial structures for which the
8 estimated qualified rehabilitation expenditures are in excess of two
9 million dollars.

10 (a.5) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY
11 1, 2025, BUT BEFORE JANUARY 1, 2030, IN ADDITION TO THE TAX CREDITS
12 ALLOWED TO BE RESERVED BY THE OFFICE PURSUANT TO SUBSECTION
13 (12)(a) OF THIS SECTION, THE OFFICE SHALL SEPARATELY RESERVE
14 CREDITS PURSUANT TO THIS SUBSECTION (12)(a.5) FOR AN OWNER OF A
15 QUALIFIED COMMERCIAL STRUCTURE THAT SUBMITS AN APPLICATION AND
16 REHABILITATION PLAN FOR REHABILITATION OF THE QUALIFIED
17 COMMERCIAL STRUCTURE SO THAT AT LEAST FIFTY PERCENT OF THE
18 SQUARE FOOTAGE OF THE QUALIFIED COMMERCIAL STRUCTURE WILL BE
19 NET NEW RENTAL HOUSING UNITS, AS DEFINED BY THE OFFICE. EXCEPT AS
20 OTHERWISE PROVIDED IN SUBSECTION (12)(b) OF THIS SECTION, THE
21 AGGREGATE AMOUNT OF ALL TAX CREDITS IN ANY CALENDAR YEAR THAT
22 MAY BE RESERVED PURSUANT TO THIS SUBSECTION (12)(a.5) FOR
23 QUALIFIED COMMERCIAL STRUCTURES BY THE OFFICE UPON THE
24 CERTIFICATION OF ALL REHABILITATION PLANS UNDER SUBSECTION (7)(a)
25 OF THIS SECTION FOR SUCH STRUCTURES MUST NOT EXCEED FIVE MILLION
26 DOLLARS PER YEAR IN THE AGGREGATE, IN ADDITION TO THE AMOUNT OF
27 ANY PREVIOUSLY RESERVED TAX CREDITS THAT WERE RESCINDED UNDER

1 SUBSECTION (8)(a) OF THIS SECTION DURING THE APPLICABLE CALENDAR
2 YEAR.

3 (b) Notwithstanding any other provision of this subsection (12),
4 if the entirety of the allowable tax credit amount for any ~~tax~~ CALENDAR
5 year is not requested and reserved under:

6 (I) Subsection (12)(a) of this section, the office may use any such
7 unreserved tax credits in reserving tax credits in another category for that
8 same income ~~tax~~ CALENDAR year, and the office may also use any
9 remaining unreserved tax credits for that ~~tax~~ CALENDAR year in reserving
10 tax credits in subsequent ~~income tax~~ CALENDAR years; OR

11 (II) SUBSECTION (12)(a.5) OF THIS SECTION, THE OFFICE SHALL USE
12 ANY REMAINING UNRESERVED TAX CREDITS FOR THAT CALENDAR YEAR IN
13 RESERVING TAX CREDITS IN SUBSEQUENT CALENDAR YEARS.

14 **(14) Deadline for submitting application and rehabilitation**
15 **plan.** Notwithstanding any other provision of this section, the tax credits
16 authorized by this section for the substantial rehabilitation of a qualified
17 structure are not available to an owner of a qualified structure that
18 submits an application and rehabilitation plan after ~~December 31, 2029~~.
19 DECEMBER 31, 2032. No action or inaction on the part of the general
20 assembly has the effect of limiting or suspending the issuing of tax credits
21 authorized by this section in any past or future income tax year with
22 respect to a qualified structure if the owner of the structure submits an
23 application and rehabilitation plan with the office on or prior to ~~December~~
24 ~~31, 2029~~ DECEMBER 31, 2032, even if the qualified structure is placed
25 into service after ~~December 31, 2029~~, DECEMBER 31, 2032. Any tax
26 credits that have been reserved for a qualified commercial structure in
27 accordance with subsection (7)(a) of this section and any applicable rules

1 promulgated under this section prior to ~~December 31, 2029~~ DECEMBER
2 31, 2032, may still be issued by the office through and including
3 ~~December 31, 2032~~ DECEMBER 31, 2036.

4 (16) **Tax preference performance statement.** (a) IN
5 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
6 THAT CREATES A NEW TAX EXPENDITURE OR EXTENDS AN EXPIRING TAX
7 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT
8 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL
9 ASSEMBLY DECLARES THAT THE GENERAL PURPOSES OF THE TAX CREDIT
10 CREATED IN THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR
11 BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR
12 INDIVIDUALS. THE SPECIFIC PURPOSES OF THE TAX CREDIT ARE TO PROVIDE
13 AN INCENTIVE TO TAXPAYERS TO REHABILITATE QUALIFIED STRUCTURES
14 IN A WAY THAT INCREASES THE NUMBER OF NET NEW RENTAL HOUSING
15 UNITS IN THE STATE AND TO PROVIDE A GREATER INCENTIVE FOR
16 TAXPAYERS WHO DEVELOP SUCH UNITS FOR RENTAL TO LOW- AND
17 MODERATE-INCOME RENTERS WHO NEED AFFORDABLE AND
18 MIDDLE-INCOME HOUSING.

19 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
20 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
21 PURPOSES SPECIFIED IN SUBSECTION (16)(a) OF THIS SECTION BASED ON
22 THE INFORMATION REQUIRED TO BE MAINTAINED AND REPORTED BY THE
23 OFFICE TO THE STATE AUDITOR PURSUANT TO SUBSECTION (16)(c) OF THIS
24 SECTION.

25 (c) THE OFFICE SHALL MAINTAIN A DATABASE OF ANY
26 INFORMATION DETERMINED NECESSARY BY THE OFFICE TO EVALUATE THE
27 EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN THIS SECTION IN

1 MEETING THE PURPOSES SET FORTH IN SUBSECTION (16)(a) OF THIS
2 SECTION AND SHALL PROVIDE SUCH INFORMATION, WHICH MUST INCLUDE
3 THE NUMBER AND VALUE OF TAX CREDITS CLAIMED PURSUANT TO THIS
4 SECTION, THE NUMBER OF NET NEW RENTAL UNITS DEVELOPED, INCLUDING
5 THE NUMBER OF SUCH UNITS DEVELOPED FOR RENTAL ONLY TO LOW- AND
6 MODERATE-INCOME RENTERS, THROUGH THE REHABILITATION OF
7 QUALIFIED COMMERCIAL OR RESIDENTIAL STRUCTURES FOR WHICH TAX
8 CREDITS WERE ALLOWED PURSUANT TO THIS SECTION, AND, IF AVAILABLE,
9 ANY OTHER INFORMATION THAT MAY BE NEEDED, TO THE STATE AUDITOR
10 AS PART OF THE STATE AUDITOR'S EVALUATION OF THE TAX CREDIT
11 REQUIRED BY SECTION 39-21-305.

12 **(17) Commercial historic preservation tax credit program**

13 **cash fund.** (a) THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT
14 PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND
15 CONSISTS OF GIFTS, GRANTS, DONATIONS, FEE REVENUE CREDITED TO THE
16 FUND PURSUANT TO SUBSECTION (6) OF THIS SECTION, AND ANY OTHER
17 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR
18 REQUIRE BY LAW TO BE CREDITED TO THE FUND.

19 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
20 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
21 COMMERCIAL HISTORIC PRESERVATION TAX CREDIT PROGRAM CASH FUND
22 TO THE FUND.

23 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
24 OFFICE FOR THE PURPOSE OF ADMINISTERING THE TAX CREDIT ISSUED
25 PURSUANT TO THIS SECTION.

26 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
27 AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2051, TO

1 THE GENERAL FUND.

2 **SECTION 2.** In Colorado Revised Statutes, 24-75-402, **amend**

3 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

4 **24-75-402. Cash funds - limit on uncommitted reserves -**
5 **reduction in the amount of fees - exclusions - definitions.**

6 (5) Notwithstanding any provision of this section to the contrary, the
7 following cash funds are excluded from the limitations specified in this
8 section:

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

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

13 (eee) THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT
14 PROGRAM CASH FUND CREATED IN SECTION 39-22-514.5 (17).

15 **SECTION 3. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly; except
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V
19 of the state constitution against this act or an item, section, or part of this
20 act within such period, then the act, item, section, or part will not take
21 effect unless approved by the people at the general election to be held in
22 November 2024 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.