

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

February 6, 2025
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB25-1005 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 3, strike lines 15 through 20 and substitute
2 "ENTITY THAT:

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

5 (II) HAS A MULTI-DECADE OPERATING HISTORY AND A VERIFIABLE
6 ANNUAL TRACK RECORD OF ATTRACTING ONE HUNDRED THOUSAND OR
7 MORE IN-PERSON TICKET SALES AND TENS OF THOUSANDS OF
8 OUT-OF-STATE AND INTERNATIONAL ATTENDEES FOR THE FILMFESTIVAL."

9 Strike page 5 and substitute:

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

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

20 (I) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY 1,
21 2027, BUT BEFORE JANUARY 1, 2029, THE AGGREGATE AMOUNT OF TAX
22 CREDIT THAT MAY BE RESERVED IS FOUR MILLION DOLLARS PER YEAR;

23 (II) FOR THE CALENDAR YEAR COMMENCING ON JANUARY 1, 2029,
24 THE AGGREGATE AMOUNT OF TAX CREDIT THAT MAY BE RESERVED IS FIVE
25 MILLION DOLLARS; AND

26 (III) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY
27 1, 2030, BUT BEFORE JANUARY 1, 2037, THE AGGREGATE AMOUNT OF TAX

1 CREDIT THAT MAY BE RESERVED IS THREE MILLION DOLLARS PER YEAR.
2 (c) SUBJECT TO SUBSECTION (3)(e) OF THIS SECTION, THE OFFICE
3 MAY RESERVE A TAX CREDIT FOR THE BENEFIT OF ANY EXISTING OR SMALL
4 COLORADO FILM FESTIVAL ENTITY PURSUANT TO SUBSECTION (7) OF THIS
5 SECTION. FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY 1,
6 2027, BUT BEFORE JANUARY 1, 2037, THE AGGREGATE AMOUNT OF TAX
7 CREDIT THAT MAY BE RESERVED PURSUANT TO THIS SUBSECTION (3)(c) IS
8 FIVE HUNDRED THOUSAND DOLLARS PER YEAR."

9 Page 6, strike lines 1 through 3.

10 Reletter succeeding paragraphs accordingly.

11 Page 6, line 12, strike "(3)(f)" and substitute "(3)(e)".

12 Page 6, strike lines 14 through 19 and substitute:

13 "(4) (a) SUBJECT TO THE PROGRAM POLICIES AND PROCEDURES
14 ESTABLISHED BY THE OFFICE, A GLOBAL FILM FESTIVAL ENTITY MAY BE
15 ALLOWED A TAX CREDIT FOR EACH TAX YEAR IN WHICH A FILM FESTIVAL
16 OCCURRED. A GLOBAL FILM FESTIVAL ENTITY OR AN EXISTING COLORADO
17 FILM FESTIVAL ENTITY MAY BE ALLOWED AN ADDITIONAL TAX CREDIT IN
18 THE SUBSEQUENT TAX YEAR WITH RESPECT TO ANY QUALIFIED
19 EXPENDITURES INCURRED IN THAT YEAR."

20 Page 6, strike line 22 and substitute "COMMENCEMENT OF THE YEAR IN
21 WHICH THE FILM FESTIVAL OCCURRED MAY BE ADDED TO THE QUALIFIED
22 EXPENDITURES THAT OCCURRED DURING THE TAX YEAR IN WHICH THE
23 FESTIVAL OCCURRED".

24 Page 6, line 25, after the period add:

25 "(c) ONLY ONE CREDIT IS ALLOWED IN ACCORDANCE WITH THIS
26 SECTION WITH RESPECT TO A QUALIFIED EXPENDITURE."

27 Page 9, line 21, after "SECTION." insert "THE AMOUNT OF THE TAX CREDIT
28 IS THE LESSER OF THE QUALIFIED EXPENDITURES CALCULATED PURSUANT
29 TO SUBSECTION (4) OF THIS SECTION OR THE AMOUNT OF THE TAX CREDIT
30 RESERVED PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION."

31 Page 12, lines 9 and 10, strike "26 U.S.C. SEC 501 (c)(3) OF THE FEDERAL
32 "INTERNAL REVENUE CODE OF 1986" and substitute "SECTION 501 (c)(3)
33 OF THE INTERNAL REVENUE CODE".

- 1 Page 12, line 14, after the period add "A TAX-EXEMPT ENTITY SHALL FILE
- 2 A RETURN PURSUANT TO SECTION 39-22-601 (7)(b).".

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