

HOUSE COMMITTEE OF REFERENCE REPORT

	March 3, 2025
Chair of Committee	Date

Committee on Finance.

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

HB25-1021 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 3, after line 6 insert:

2 "(A) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
3 DEVELOPMENT CREATED IN SECTION 24-48.5-101."

4 Reletter succeeding sub-subparagraphs accordingly.

5 Page 3, line 23, strike "CODE." and substitute "CODE, SUBJECT TO THE
6 LIMITATION SET FORTH IN SUBSECTION (4)(dd)(V) OF THIS SECTION."

7 Page 4, after line 15 insert:

8 "(V) (A) ON OR BEFORE JUNE 30, 2026, THE OFFICE SHALL
9 ESTABLISH AND POST ON ITS WEBSITE THE TOTAL AMOUNT OF CAPITAL
10 GAINS THAT MAY BE SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE
11 INCOME PURSUANT TO THIS SUBSECTION (4)(dd), WHICH AMOUNT IS IN
12 EFFECT FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
13 2027, BUT BEFORE JANUARY 1, 2038, OR UNTIL THE OFFICE ADJUSTS THE
14 AMOUNT AS SET FORTH IN SUBSECTION (4)(dd)(V)(B) OF THIS SECTION.

15 (B) AFTER JUNE 30, 2026, ON OR BEFORE JUNE 30, 2027, AND ON
16 OR BEFORE JUNE 30 OF EACH YEAR THEREAFTER UNTIL JUNE 30, 2036, THE
17 OFFICE MAY ADJUST THE TOTAL AMOUNT OF CAPITAL GAINS THAT MAY BE
18 SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE INCOME THAT THE
19 OFFICE HAS PREVIOUSLY ESTABLISHED IN ACCORDANCE WITH THIS
20 SUBSECTION (4)(dd)(V). THE ADJUSTED AMOUNT MUST BE POSTED ON THE
21 OFFICE'S WEBSITE AND IS IN EFFECT FOR INCOME TAX YEARS COMMENCING
22 ON OR AFTER JANUARY 1 OF THE YEAR IMMEDIATELY FOLLOWING THE
23 YEAR IN WHICH THE ADJUSTMENT IS MADE BUT BEFORE JANUARY 1, 2038,

1 OR UNTIL THE OFFICE SUBSEQUENTLY ADJUSTS THE AMOUNT AS SET FORTH
2 IN THIS SUBSECTION (4)(dd)(V)(B).

3 (C) AN OWNER MAY NOT SUBTRACT MORE THAN THE AMOUNT OF
4 CAPITAL GAINS ESTABLISHED BY THE OFFICE IN ACCORDANCE WITH
5 SUBSECTION (4)(dd)(V)(A) OR (4)(dd)(V)(B) OF THIS SECTION IN THE
6 INCOME TAX YEAR.

7 (D) BEGINNING IN JANUARY 2027, AND IN JANUARY EVERY YEAR
8 THEREAFTER FOLLOWING A YEAR IN WHICH THE OFFICE ADJUSTS THE
9 AMOUNT OF CAPITAL GAINS THAT MAY BE SUBTRACTED FROM AN OWNER'S
10 FEDERAL TAXABLE INCOME PURSUANT TO SUBSECTION (4)(dd)(V)(B) OF
11 THIS SECTION, THE OFFICE SHALL INCLUDE, AS PART OF ITS PRESENTATION
12 DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION 2-7-203,
13 INFORMATION CONCERNING THE AMOUNT OF CAPITAL GAINS THAT MAY BE
14 SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE INCOME THAT THE
15 OFFICE HAS ESTABLISHED PURSUANT TO SUBSECTION (4)(dd)(V)(A) OR
16 (4)(dd)(V)(B) OF THIS SECTION AND THE METHOD THAT THE OFFICE USED
17 TO ESTABLISH THE AMOUNT."

18 Renumber succeeding subparagraph accordingly.

19 Page 5, after line 2 insert:

20 "(A) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
21 DEVELOPMENT CREATED IN SECTION 24-48.5-101."

22 Reletter succeeding sub-subparagraphs accordingly.

23 Page 5, line 19, "CODE." and substitute "CODE, SUBJECT TO THE
24 LIMITATION SET FORTH IN SUBSECTION (3)(s)(V) OF THIS SECTION."

25 Page 6, after line 11 insert:

26 "(V) (A) ON OR BEFORE JUNE 30, 2026, THE OFFICE SHALL
27 ESTABLISH AND POST ON ITS WEBSITE THE TOTAL AMOUNT OF CAPITAL
28 GAINS THAT MAY BE SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE
29 INCOME PURSUANT TO THIS SUBSECTION (3)(s), WHICH AMOUNT IS IN
30 EFFECT FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
31 2027, BUT BEFORE JANUARY 1, 2038, OR UNTIL THE OFFICE ADJUSTS THE
32 AMOUNT AS SET FORTH IN SUBSECTION (3)(s)(V)(B) OF THIS SECTION.

33 (B) AFTER JUNE 30, 2026, ON OR BEFORE JUNE 30, 2027, AND ON
34 OR BEFORE JUNE 30 OF EACH YEAR THEREAFTER UNTIL JUNE 30, 2036, THE
35 OFFICE MAY ADJUST THE TOTAL AMOUNT OF CAPITAL GAINS THAT MAY BE
36 SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE INCOME THAT THE

1 OFFICE HAS PREVIOUSLY ESTABLISHED IN ACCORDANCE WITH THIS
2 SUBSECTION (3)(s)(V). THE ADJUSTED AMOUNT MUST BE POSTED ON THE
3 OFFICE'S WEBSITE AND IS IN EFFECT FOR INCOME TAX YEARS COMMENCING
4 ON OR AFTER JANUARY 1 OF THE YEAR IMMEDIATELY FOLLOWING THE
5 YEAR IN WHICH THE ADJUSTMENT IS MADE BUT BEFORE JANUARY 1, 2038,
6 OR UNTIL THE OFFICE SUBSEQUENTLY ADJUSTS THE AMOUNT AS SET FORTH
7 IN THIS SUBSECTION (3)(s)(V)(B).
8 (C) AN OWNER MAY NOT SUBTRACT MORE THAN THE AMOUNT OF
9 CAPITAL GAINS ESTABLISHED BY THE OFFICE IN ACCORDANCE WITH
10 SUBSECTION (3)(s)(V)(A) OR (3)(s)(V)(B) OF THIS SECTION IN THE INCOME
11 TAX YEAR.
12 (D) BEGINNING IN JANUARY 2027, AND IN JANUARY EVERY YEAR
13 THEREAFTER FOLLOWING A YEAR IN WHICH THE OFFICE ADJUSTS THE
14 AMOUNT OF CAPITAL GAINS THAT MAY BE SUBTRACTED FROM AN OWNER'S
15 FEDERAL TAXABLE INCOME PURSUANT TO SUBSECTION (3)(s)(V)(B) OF
16 THIS SECTION, THE OFFICE SHALL INCLUDE, AS PART OF ITS PRESENTATION
17 DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION 2-7-203,
18 INFORMATION CONCERNING THE AMOUNT OF CAPITAL GAINS THAT MAY BE
19 SUBTRACTED FROM AN OWNER'S FEDERAL TAXABLE INCOME THAT THE
20 OFFICE HAS ESTABLISHED PURSUANT TO SUBSECTION (3)(s)(V)(A) OR
21 (3)(s)(V)(B) OF THIS SECTION AND THE METHOD THAT THE OFFICE USED TO
22 ESTABLISH THE AMOUNT."
23 Renumber succeeding subparagraph accordingly.

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