



Attention Tax Council Members:

The Colorado General Assembly will be convening on January 13th for a shortened legislative Session of three days and will temporarily recess on January 15th due to the COVID-19 pandemic. Leadership in the House and Senate have stated that they will likely reconvene for the remainder of the 2021 legislative Session on February 16th.

Today we received a copy of a bill draft to be introduced this week and it is being described as a “fix” to House Bill 1420 which attempted to eliminate several tax credits and exemptions during the final weeks of the 2020 Legislative Session. The Colorado Chamber and other interest groups were able to amend HB 1420 to address significant concerns in the original bill, however, we have now received this draft “fix” bill which will be rushed through during the 3 days that the General Assembly will meet.

The intent of this “fix” bill is to do the following:

(1) restore the deductions to federal taxable income that were disallowed to businesses under HB 1420 and the current Department of Revenue rule including: net operating loss deductions, federal excess business loss rules, interest expenses and the qualified improvement property deductions; and

2) change the start date for taxpayers claiming the EITC credit from January 1, 2021 to January 1, 2020.

According to the Governor’s staff and the bill sponsors, both of these were inadvertent mistakes in HB 20-1420.

Please contact Loren Furman at lfurman@cochamber.com or at 303-888-9387 immediately with any questions/concerns regarding this proposed legislation.

Thank you!

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