



Attention Tax Council Members:

Yesterday, we received [draft bill language](#) which addresses changes to current Colorado tax policy, tax credits, expenditures and deductions. During our Tax Council meeting on this upcoming **Friday, April 9th at 1p.m. – 2p.m.**, we will discuss this potential legislation that includes but is not limited to the following changes in current statute:

Sections 5 - 7:

- Replaces the current combined reporting standard with the Multistate Tax Commission's standard
- Replaces the State's current apportionment model with the unitary business principle

Section 6:

- Including in a combined report any member of an affiliated group of C corporations that is incorporated in a foreign jurisdiction for the purpose of tax avoidance.

Section 7:

Modifies how taxable income is determined for C corporations for purposes of state income tax to include:

- Modifying amount of the corporate taxpayer's deferred capital gains and step-up in basis for investments in opportunity zones outside of Colorado;
- Modifying amount of deductions allowed for food and beverage in a restaurant for the 2022 income year;
- Modifying certain deductions to federal taxable income, which were disallowed in Colorado through the DOR rule.

Section 8:

- Repealing a state subtraction for certain net capital gains incurred by a taxpayer.

Section 9:

- Providing an income tax credit for investments in certain energy efficiency technologies but the credit amount is not yet specified in the draft.

Sections 10 – 13:

- Removing exemptions for certain captive insurance companies.

Section 14:

- Prohibiting a taxpayer that is engaged in the exploration, production, refinement, and distribution of oil and gas from claiming an enterprise zone income tax credit for investments in certain property.

We will discuss this proposed bill draft during the Tax Council meeting, however in the meantime, please contact Loren Furman at lfurman@cochamber.com or at 303-866-9642 with any questions.