



## TAX CREDIT AND EXEMPTION BILLS UPDATES

Earlier this week, the Colorado House of Representatives gave final approval to 10 of the 12 bills put forth by Governor Bill Ritter to suspend or eliminate a host of tax exemptions and credits in an effort to raise \$140 million a year to balance the state budget. The bills, which are being fast tracked so seven of the bills can be implemented in March, quickly passed out of the Senate Finance and Appropriations Committees at the end of the week. They will be up in the full Senate on second reading Monday.

Two of the 12 bills, [House Bill 1197](#), reducing the conservation easement cap amount, and [House Bill 1200](#), limiting the amount of money businesses can claim in enterprise zone tax credits to \$250,000, have not yet passed out of the House.

[Click here](#) to view the list of 10 bills to be voted on in the Senate next week.

## UPDATE OF BUSINESS-RELATED BILLS

### LABOR

#### [Senate Bill 10-28](#): **Work Share Program**

Sponsored by Sen. Rollie Heath, D-Boulder, SB 28 allows for employers who have had their hours cut at work to receive unemployment benefits. The measure has been assigned to the Senate Business, Labor and Technology Committee.

### ECONOMIC DEVELOPMENT

#### [HB 1107](#): **Urban Renewal Area Ag Lands**

HB 1107 states that no land that has been designated as an urban renewal areas can contain agricultural land, with some exceptions. In those cases, county assessors would be required to value ag land at fair market value to determine the base amount of taxes to be paid to local governments. Rep. Randy Fischer, D-Fort Collins, and Sen. Morgan Carroll, D-Aurora, are sponsoring the bill.

#### [House Bill 10-1174](#): **Reduce Severance Tax Credits to Promote Jobs**

Currently, oil and gas producers can claim a credit against their state severance taxes for property taxes paid. HB 1174, sponsored, by Denver Democrats Rep. K. Jerry Frangas and Sen. Chris Romer, cuts that credit in half for two years starting in 2011 and applies 90% of the revenue to the teacher retention cash fund and 10% to the small business credit cash fund.

### HIGHER EDUCATION

#### [House Bill 10-1208](#): **Higher Ed Statewide Transfer Agreements**

Sponsored by Reps. Nancy Todd, D-Aurora, and Carole Murray, R-Castle Rock, and Sens. Brandon Shaffer, D-Longmont, and Keith King, R-Colorado Springs., HB 1208 requires statewide degree transfer agreements to transfer associates degrees from one higher education institution to another. In essence, a student with an associate of arts or science degree would be admitted as a junior at a state 4-year institution. The House Education Committee has been assigned the bill.

## **BUSINESS PERSONAL PROPERTY TAX**

### **SB 85: Exempt Personal Property Tax Pilot Program**

SB 85 institutes a pilot program for five counties with populations between 200,000 and 500,000 residents. In the program, the counties would eliminate the business personal property tax (BPPT) for five years. The state would reimburse the county 100% of the lost revenue the first year, 75% the second, 50% the third and 25% the fourth year. After five years, the state would study the counties and determine if the elimination stimulated economic growth. The Senate State, Veterans and Military Affairs Committee has been assigned SB 85.

### **SB 86: Phased-In Fully Depreciated Prop Exempt**

Sen. Scheffel and Rep. Priola are also sponsoring SB 86, which aims to exempt business personal property that is fully depreciated from BPPT. The exemption would be phased in over 12 years. The Senate State, Veterans and Military Affairs Committee will also hear SB 86.

## **WATER**

### **HB 1159: Mitigation for Water Exports**

HB 1159 was killed in the House Friday. It would have required water judges in certain trans-diversion transfers of water to include terms in water agreements protecting the users in the water division transferring the water. The party buying the water could have entered into a mitigation agreement with all the water districts affected by the diversion.

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