

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 14, 2021

Committee on Finance.

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

HB21-1311 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill page 14, strike lines 25 through 27.
- 2 Page 15, strike lines 1 through 6.
- 3 Renumber succeeding sections accordingly.
- 4 Page 15, strike line 8 and substitute "(8), (11)(c)(II), and (12) as
5 follows:".
- 6 Page 16, strike lines 13 through 27.
- 7 Strike pages 17 through 21.
- 8 Page 22, strike lines 1 through 9 and substitute:
 - 9 "(11) (c) If an affiliated C corporation is included in a combined
10 report, section 39-22-303.5, 39-22-303.6, or 39-22-303.7 shall be applied
11 with the following modifications:
 - 12 (II) (A) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY
13 1, 2022, the numerator of the apportionment calculation set forth in
14 section 39-22-303.5 or 39-22-303.6 shall be, to the extent applicable, the
15 sum of the sales of those affiliated C corporations doing business in
16 Colorado.
 - 17 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY

1 1, 2022, THE COMBINED GROUP APPORTIONMENT FACTOR IS A FRACTION
2 DETERMINED UNDER SECTION 39-22-303.6, AS MODIFIED, IF APPLICABLE,
3 BY SECTION 39-22-303.7, WHERE THE NUMERATOR OF THE FACTOR
4 INCLUDES AMOUNTS SOURCED TO THE STATE, REGARDLESS OF THE
5 SEPARATE ENTITY TO WHICH THOSE FACTORS MAY BE ATTRIBUTED, AND
6 THE DENOMINATOR OF THE FACTOR INCLUDES AMOUNTS ASSOCIATED WITH
7 THE COMBINED GROUP'S BUSINESS WHEREVER LOCATED."

8 Page 22, line 13, strike "~~chains of~~" and substitute "chains of".

9 Page 22, line 14, strike "DIRECTLY OR INDIRECTLY".

10 Page 22, line 19, strike "OR INDIRECTLY".

11 Page 22, lines 21 and 22, strike "OR INDIRECTLY".

12 Page 23, strike lines 7 through 13.

13 Page 23, line 14, strike "(d)" and substitute "(b)".

14 Page 23, strike lines 24 through 27.

15 Page 24, strike lines 1 through 10.

16 Page 25, lines 17 and 18, strike "THE UNITARY BUSINESS," and substitute
17 "A COMBINED REPORT,".

18 Page 30, line 2, after "(5)" insert "(a)".

19 Page 30, line 4, strike "(a)" and substitute "(I)".

20 Page 30, line 5, strike "SUBSECTION (11)" and substitute "SUBSECTIONS
21 (11) AND (12)".

22 Page 30, line 7, strike "(b)" and substitute "(II)".

23 Page 30, line 8, strike "(c)" and substitute "(III)".

24 Page 30, line 9, strike "(d)" and substitute "(IV)".

25 Page 30, after line 10 insert:



1 "(b) BEFORE THE OFFICE BEGINS TO PROVIDE RESERVATIONS OF
2 TAX CREDITS UNDER SUBSECTION (6) OF THIS SECTION, THE OFFICE SHALL
3 PROVIDE THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES
4 AND THE SENATE, OR ANY SUCCESSOR COMMITTEES, WITH A WRITTEN
5 REPORT SETTING FORTH THE CLEAR, RELEVANT, AND ASCERTAINABLE
6 METRICS AND DATA REQUIREMENTS THAT THE OFFICE WILL TRACK UNDER
7 SUBSECTION (12) OF THIS SECTION IN ORDER TO ALLOW THE GENERAL
8 ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF
9 THE TAX EXPENDITURE ALLOWED IN THIS SECTION IN ACHIEVING THE
10 PURPOSE SET FORTH IN SUBSECTION (1)(a) OF THIS SECTION."

11 Page 30, line 11, strike "A RESERVATION" and substitute "AFTER THE
12 OFFICE PROVIDES THE WRITTEN REPORT REQUIRED IN SUBSECTION (5)(b)
13 OF THIS SECTION, A RESERVATION".

14 Page 1, line 101, strike "MAKING".

15 Page 1, strike lines 102 through 106.

16 Page 1, line 107, strike "THE UNITARY BUSINESS PRINCIPLE;".

17 Page 2, line 112, after "REVENUE BY" insert "MODIFYING THE
18 COMPUTATION OF THE CORPORATE INCOME TAX RECEIPTS FACTOR TO
19 MAKE IT MORE CONGRUENT WITH COMBINED REPORTING;".

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