

## HB21-1311

## HOUSE FLOOR AMENDMENT

Second Reading BY REPRESENTATIVES Sirota and Weissman

1 Amend printed bill, page 26, strike lines 24 through 27.

2 Page 27, strike lines 1 through 6 and substitute:

3 **"SECTION 8.** In Colorado Revised Statutes, 39-22-518, **amend**  
4 (2)(a)(I), (2)(b)(I)(B.5), and (2)(b)(II) introductory portion; and **add**  
5 (2)(a)(I.5), (2)(b)(I)(B.7), and (2)(b)(II)(C) as follows:

6 **39-22-518. Tax modification for net capital gains - definitions**  
7 **- repeal.** (2) For the purposes of this section:

8 (a) (I) "Qualified taxpayer" FOR INCOME TAX YEARS COMMENCING  
9 BEFORE JANUARY 1, 2022, means any taxpayer with no overdue state tax  
10 liabilities and not in default on any contractual obligations owed to the  
11 state or to any local government within Colorado at the time the  
12 modification created under this section is claimed. THIS SUBSECTION  
13 (2)(a)(I) IS REPEALED, EFFECTIVE DECEMBER 31, 2030.

14 (I.5) "QUALIFIED TAXPAYER" MEANS, FOR INCOME TAX YEARS  
15 COMMENCING ON OR AFTER JANUARY 1, 2022, ANY TAXPAYER THAT HAS  
16 NO OVERDUE STATE TAX LIABILITIES; THAT IS NOT IN DEFAULT ON ANY  
17 CONTRACTUAL OBLIGATIONS OWED TO THE STATE OR TO ANY LOCAL  
18 GOVERNMENT WITHIN COLORADO AT THE TIME THE MODIFICATION  
19 CREATED UNDER THIS SECTION IS CLAIMED; AND THAT IS REQUIRED TO FILE  
20 A SCHEDULE F, PROFIT OR LOSS FROM FARMING, OR SUCCESSOR FORM, AS  
21 AN ATTACHMENT TO THE TAXPAYER'S FEDERAL INCOME TAX RETURN FOR  
22 THE TAX YEAR IN WHICH THE NET CAPITAL GAINS ARISE.

23 (b) (I) "Qualifying gains receiving capital treatment" means the  
24 amount of net capital gains, as defined in section 1222 (11) of the internal  
25 revenue code, included in any qualified taxpayer's federal income tax  
26 return and:

27 (B.5) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,  
28 2022, earned by the qualified taxpayer on either real or tangible personal  
29 property located within Colorado that was acquired on or after May 9,  
30 1994, but before June 4, 2009, or on tangible personal property only  
31 located either within or outside Colorado that was acquired on or after  
32 June 4, 2009, and either of which has been owned by the qualified  
33 taxpayer for a holding period of at least five years prior to the date of the  
34 transaction from which the net capital gains arise if the transaction from  
35 which the net capital gains arise occurred during an income tax year that  
36 commenced on or after January 1, 2010; except that no more than one  
37 hundred thousand dollars of net capital gains described in this  
38 ~~sub-subparagraph (B.5) shall be~~ SUBSECTION (2)(b)(I)(B.5) ARE

1 qualifying gains receiving capital treatment for any single income tax  
2 year. THIS SUBSECTION (2)(b)(I)(B.5) IS REPEALED, EFFECTIVE DECEMBER  
3 31, 2030.

4 (B.7) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
5 JANUARY 1, 2022, EARNED BY THE QUALIFIED TAXPAYER ON QUALIFIED  
6 REAL PROPERTY THAT WAS ACQUIRED ON OR AFTER MAY 9, 1994, BUT  
7 BEFORE JUNE 4, 2009, AND HAS BEEN OWNED BY THE QUALIFIED  
8 TAXPAYER FOR A HOLDING PERIOD OF AT LEAST FIVE YEARS PRIOR TO THE  
9 DATE OF THE TRANSACTION FROM WHICH THE NET CAPITAL GAINS ARISE;  
10 EXCEPT THAT NO MORE THAN ONE HUNDRED THOUSAND DOLLARS OF NET  
11 CAPITAL GAINS DESCRIBED IN THIS SUBSECTION (2)(b)(I)(B.7) ARE  
12 QUALIFYING GAINS RECEIVING CAPITAL TREATMENT FOR ANY SINGLE  
13 INCOME TAX YEAR.

14 (II) For purposes of this ~~paragraph (b)~~ SUBSECTION (2)(b):

15 (C) "QUALIFIED REAL PROPERTY" MEANS REAL PROPERTY  
16 LOCATED IN COLORADO THAT IS SOLD BY THE TAXPAYER AND GENERATES  
17 THE QUALIFYING GAINS RECEIVING CAPITAL TREATMENT AND THAT IS  
18 CLASSIFIED BY THE COUNTY PROPERTY TAX ASSESSOR IMMEDIATELY  
19 PRECEDING THE SALE AS AGRICULTURAL LAND UNDER SECTION 39-1-102  
20 (1.6)(a). IF REAL PROPERTY IS SOLD AS A TYPE OF INVESTMENT PACKAGE,  
21 THEN, IN ORDER TO BE QUALIFIED REAL PROPERTY, AT LEAST  
22 SEVENTY-FIVE PERCENT OF THE REAL PROPERTY SOLD IN THE PACKAGE  
23 MUST BE CLASSIFIED BY THE COUNTY PROPERTY TAX ASSESSOR  
24 IMMEDIATELY PRECEDING THE SALE AS AGRICULTURAL LAND UNDER  
25 SECTION 39-1-102 (1.6)(a)."

26 Page 2, line 101, strike "REPEALING" and substitute "LIMITING".

\*\* \*\* \*\* \*\* \*\*