

#### **IV.18(A)**

- (1) In General. Article IV.18 of §24-60-1301, C.R.S. provides that, if the allocation and apportionment provisions of Article IV do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the executive director may require, in respect to all or any of the taxpayer's business activity, if reasonable:
  - (A) separate accounting;
  - (B) the exclusion of any one or more of the factors;
  - (C) the inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or
  - (D) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.
- (2) Art.IV.18. permits a departure from the allocation and apportionment provisions of Article IV only in limited and specific cases. Article IV.18 may be invoked only in specific cases where unusual fact situations produce incongruous results under the apportionment and allocation provisions contained in Article IV.
- (3) In the case of certain industries, the foregoing regulations in respect to the apportionment formula do not set forth appropriate procedures for determining the apportionment factors. Nothing in Article IV.18. or in this Regulation IV.18 shall preclude the executive director from establishing appropriate procedures under Article IV.10 through 17 for determining the apportionment factors for each such industry, but such procedures shall be applied uniformly.
- (4) Exclusion of factors amounts or factors
  - (A) Any factor whose denominator is zero shall be excluded from the calculation of the average apportionment factor.
  - (B) Amounts in any factor of property, payroll, or sales that do not materially contribute to the generation of business income shall be excluded from the factor.