Income Tax Index
Colorado Innovation Investment Tax Credit

**Question:** What is the Colorado innovation investment tax credit?

**Answer:** For tax years beginning on or after January 1, 2010 but prior to January 1, 2011, this credit is available to qualified taxpayers other than C corporations who invest in a small qualified business involved primarily in research and development or manufacturing of new technologies, products or processes that is designated by the Colorado Office of Economic Development and International Trade (OEDIT).

The tax credit is 15% of the qualified investment made during calendar year 2010, but may not exceed \$20,000 per investor per qualified business. If the credit exceeds the net tax liability of the taxpayer, any unused credit may be carried forward for up to five years. The total credits that can be certified by OEDIT for 2010 may not exceed \$750,000. For additional details and limitations go to the OEDIT Web site at www.advancecolorado.com and search for Innovation Investment Credit.

The OEDIT will provide a tax credit certificate to qualified investors that includes the name and tax identification number of the investor, and the amount of the credit available for 2010. This certificate must be attached to the 2010 tax return or, if the return is electronically filed, attached to the E-Filer Attachment Form, DR 1778. [§39-22-532, C.R.S.]