

# Income Tax Expenditures

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An updated look at Chapter 4 of the 2016 Tax Profile  
and Expenditure Report

Prepared by  
Colorado Department of Revenue  
Office of Research and Analysis

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## Summary of Chapter 4 Updates

### Overview

In response to a legislative request, the Office of Research and Analysis (ORA) prepared a more detailed perspective of the income tax expenditures reported in Chapter 4 of the 2016 Tax Profile and Expenditure Report (TPER). Two main changes were made for this updated report: 1) Income tax expenditures were separated by tax type (Individual, Fiduciary, Partnership, and Corporation) rather than combining all tax types in one table; and 2) Revenue impact estimates of corporate income tax deductions were adjusted—specifically, in this report deduction estimates were apportioned to represent Colorado income. The summary table in this report provides an overview of the updated total estimated 2013 revenue impact of the income tax expenditures by income tax type.

The updated summary table and associated tax type tables display the available data for tax year 2013. Multiple expenditures may be combined into single estimates due to confidentiality requirements, data availability, and the linkage of both Individual and Corporation income tax data to the Statistics of Income Report. The classifications of expenditures by tax type are preliminary and subject to change upon further review.

The 2013 estimated revenue impact of corporate income tax deductions in this report and in the 2016 TPER include all corporate taxpayers. In contrast, the 2011 estimated revenue impact of corporate income tax deductions only included corporations that do not apportion income. This change in methodology from 2011 to 2013 led to the large difference in total estimated revenue impacts for the two years presented in the 2016 TPER. The total 2013 estimated revenue impact of income tax expenditures across all four tax types was \$7.8B, but would have been \$1.0B if the 2011 estimated revenue impact methodology was used (2016 TPER, page 7). The 2013 estimated revenue impacts of corporate income tax deductions in this report have been reduced based on each corporation's estimated apportionment ratio to adjust for the often large deductions claimed by corporations that do not conduct business solely in the state of Colorado. This adjustment was done in order to provide legislators alternative point estimates for the Colorado revenue impact of corporate income tax deductions rather than the \$1.0B to \$7.8B range that was provided in the 2016 TPER. The updated estimated revenue impact of income tax expenditures for 2013 across all four income tax types sums to \$1.2B.

### Methodology for Apportioning Corporate Deductions

The estimated revenue impact of corporate income tax deductions taken by corporate taxpayers apportioning income was calculated using an estimated apportionment ratio. This was done by calculating the ratio of each taxpayer's Colorado taxable income (before Colorado net operating loss deductions) to their modified Federal taxable income (after applicable additions and subtractions have been made to the Federal taxable income reported on Federal form 1120 or 990-T) as reported on Form 112. The amount of Colorado taxable income reported on Form 112 reflects the total amount of taxable Colorado source business income and non-business income for all taxpayers, regardless of whether or not income is apportioned. The ratio of Colorado taxable income to Federal taxable income was then applied to the applicable income tax deductions. This method assumes that the deductions from Federal taxable income can be apportioned. Additional information on the Colorado corporate income tax base is provided on page 17 and 18 of the 2016 TPER. The updated estimated revenue impact of corporate income tax expenditures for 2013 is \$177M.

### Data Categories

The estimates are based upon information from three types of data categories: Colorado Income Tax Returns (A), Federal Income Tax Returns (B), and Colorado Income Tax Returns adjusted by an Estimated Apportionment Ratio (C).

## Summary of Income Tax Expenditures <sup>1</sup>

	Estimated 2013 Revenue Impact	Data Categories
<b>Individual Income Tax Expenditures</b>		
Credits	\$161,597,000	A, B
Deductions	\$457,585,000	A, B
TABOR	Not Applicable	A, B
<b>Total</b>	<b>\$619,182,000</b>	<b>A, B</b>
<b>Fiduciary Income Tax Expenditures</b>		
Credits	\$6,461,000	A
Deductions	Data Not Available	A
TABOR	Not Applicable	
<b>Total</b>	<b>\$6,461,000</b>	<b>A</b>
<b>Partnership Income Tax Expenditures</b>		
Credits	\$1,053,000	A
Deductions	\$352,290,000	A
TABOR	Not Applicable	
<b>Total</b>	<b>\$353,343,000</b>	<b>A</b>
<b>Corporation Income Tax Expenditures</b>		
Credits	\$21,114,000	A
Deductions	\$155,555,000	A, C
TABOR	Not Applicable	
<b>Total</b>	<b>\$176,669,000</b>	<b>A, C</b>
<b>Total</b>	<b>\$1,155,655,000</b>	<b>A, B, C</b>

Note: A = Colorado Income Tax Returns, B = Federal Income Tax Returns, and C = Colorado Income Tax Returns adjusted by an Estimated Apportionment Ratio.

<sup>1</sup> The income tax expenditures presented in Chapter 4 of the 2016 Tax Profile and Expenditure Report are separated by tax type (Individual, Fiduciary, Partnership, Corporate) in this report. Based on a review of the four Colorado income tax booklets and the Department of Revenue FYI publications, the Office of Research and Analysis classified the expenditures into the four tax types. These classifications are preliminary and subject to change upon further review.

Prepared by: Colorado Department of Revenue, Office of Research and Analysis  
Prepared Date: July 6, 2017

**Individual Income Tax Expenditures**

**Individual Income Credits (Full-Year Residents) <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.25	§39-22-108	1937	Credit for income tax paid to another state for individuals, estates, and trusts	Combined Values
4.29	§39-22-114.5	1989	Plastic recycling investment tax credit	
4.56	§39-22-514	1990	Historic property preservation tax credit	
4.58	§39-22-516(2.5)	1992	Nonrefundable alternative fuel vehicle tax credit	
4.60	§39-22-516(2.7)	1998	Alternative fuel refueling facility tax credit	
4.64	§39-22-517(2)	1992	Employer child care facility investment tax credit	
4.66	§39-22-520	1997	School-to-career investment tax credit	
4.67	§39-22-521	1997	Colorado works program tax credit	
4.69	§39-22-526	2000	Contaminated land redevelopment tax credit	
4.72	§39-22-531	2009	Job growth incentive income tax credit	
4.73	§39-22-532	2009	Colorado innovation investment tax credit	
4.77	§39-22-535	2013	Certified auction group license fee tax credit	
4.97	§39-35-104	2005	Aircraft manufacturer new employee tax credit	
<b>Subtotal</b>				
4.83	§39-30-103.5	1989	Contribution to enterprise zone administrator tax credit	Combined Values
4.84	§39-30-104(1)(a)	1986	Enterprise zone investment tax credit	
4.85	§39-30-104(1)(b)	2009	Commercial vehicle enterprise zone investment tax credit	
4.87	§39-30-104(4)	1996	Enterprise zone qualified job training program investment tax credit	
4.88	§39-30-105(1)(a)(I)	1986	Enterprise zone new business facility employee tax credit	
4.89	§39-30-105(1)(a)(III)	2002	Enhanced rural enterprise zone new business facility employee tax credit	
4.90	§39-30-105(1)(b)	1987	Enterprise zone employee health insurance tax credit	
4.91	§39-30-105(3)(a)	1987	Enterprise zone agricultural processing employee tax credit	
4.92	§39-30-105(3)(b)	2002	Enhanced rural enterprise zone agricultural processing employee tax credit	
4.94	§39-30-105.5	1988	Enterprise zone research and experimental tax credit	
4.95	§39-30-105.6	1989	Enterprise zone vacant commercial building rehabilitation tax credit	
4.96	§39-32-105	1998	Rural technology enterprise zone tax credit	
<b>Subtotal</b>				<b>\$11,704,000</b>
4.31	§39-22-119.5	2014	Child care expenses tax credit	Not Applicable
4.34	§39-22-123, §39-22-123.5	1999, 2013	Colorado earned income tax credit	
4.57	§39-22-514.5	2014	Credit for qualified costs incurred in the preservation of historic structures	
4.59	§39-22-516(2.6)	2009	Refundable alternative fuel vehicle tax credit	
4.62	§39-22-516.8	2014	Innovative truck tax credit	
4.70	§39-22-526	2014	Remediation of contaminated land tax credit	
4.71	§39-22-530	2008	Developmental disability employee tax credit	
4.74	§39-22-532	2014	Advanced industry investment tax credit	
4.76	§39-22-534	2012	Inherited agricultural land tax credit	
4.78	§39-22-536	2014	Tax credit for food contributed to hunger relief charitable organizations	
4.79	§39-22-537	2014	Business personal property tax credit	
4.82	§39-22-2102	2000	Low-income housing income tax credit	
4.86	§39-30-104(2.6)	2015	Enterprise zone renewable energy tax credit	
4.93	§39-30-105.1	2013	Enterprise zone new employee tax credit	
<b>Subtotal</b>				<b>Not Applicable</b>
4.24	§39-22-105	1987	Colorado minimum tax credit	\$1,230,000
4.30	§39-22-119	1996	Colorado child care tax credit	\$2,806,000
4.32	§39-22-121	1998	Child care contribution tax credit	\$12,195,000
4.33	§39-22-122	1999	Long-term care insurance tax credit	\$3,413,000
4.61	§39-22-516.5, §39-22-516.7	2009, 2013	Innovative motor vehicle tax credit	\$4,475,000
4.63	§39-22-517(1)	1992	Child care investment tax credit	\$274,000
4.68	§39-22-522	1999	Gross conservation easement tax credit	\$4,746,000
4.75	§39-22-533	2009	Instream flow incentive tax credit	\$3,000
<b>Total Individual Income Tax Credits</b>				<b>\$161,597,000</b>

**Individual Income Tax Expenditures**

**Individual Income Deductions (Full-Year Residents) <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.02	§39-22-104(4)(a.5)	1990	Deduction of interest income earned on Colorado investment deposits for individuals, estates, and trusts	Combined Values
4.03	§39-22-104(4)(b)	1964	Deduction for income from the disposition of assets acquired prior to January 1, 1987, that has a higher Colorado basis than federal basis for individuals, estates, and trusts	
4.05	§39-22-104(4)(c)	1982	Repayment deduction for individuals, estates, and trusts	
4.07	§39-22-104(4)(d)	1964	Colorado net operating loss deduction for individuals, estates, and trusts	
4.11	§39-22-104(4)(h)	1994	Medical savings employer contribution deduction for individuals, estates, and trusts	
4.16	§39-22-104(4)(o)	2010	Deduction for employer matching contributions to an adult learner individual trust account or savings account	
4.27	§39-22-112(1)	1937	Deduction for insurance companies subject to a gross premiums levy	
4.28	§39-22-112(1)	1937	Deduction for non-profit corporations that file federal form 990	
4.35	§39-22-202	1937	Partnership modification deduction	
4.51	§39-22-402	1964	Fiduciary subtraction/Fiduciary or partnership modification deduction	
4.06	§39-22-104(4)(c)	1982	Deduction for IRC 1341 Credit (Repayment)	
4.18	§39-22-104(4)(q)	2013	Exonerated persons deduction for individuals, estates, and trusts	
4.23	§39-22-104.5	1994	Catastrophic health insurance deduction	
4.52	§39-22-504.7(2)(e)	1994	Deduction for medical savings account contributions	
<b>Subtotal</b>				
4.15	§39-22-104(4)(n.5)	2013	Wildfire mitigation measures deduction for individuals, estates, and trusts	Not Applicable
4.17	§39-22-104(4)(p)	2013	Military family relief fund grants deduction for individuals, estates, and trusts	
4.19	§39-22-104(4)(r)	2013	Colorado medical marijuana code deduction for individuals, estates, and trusts	
4.20	§39-22-104(4)(s)	2013	Colorado retail marijuana code deduction for individuals, estates, and trusts	
4.21	§39-22-104(4)(t)	2014	Non-resident disaster relief worker deduction for individuals, estates, and trusts	
4.22	§39-22-104(4)(u)	2015	Deduction for active duty military service persons who reacquired Colorado residency for individuals, estates, and trusts	
<b>Subtotal</b>				<b>Not Applicable</b>
4.01	§39-22-104(4)(a)	1964	United States government interest deduction for individuals, estates, and trusts	\$4,095,000
4.04	§39-22-104(4)(c)	1982	Deduction for PERA contribution made in 1984-1986 / DPSRS contributions made in 1986 for individuals, estates, and trusts	\$541,000
4.08	§39-22-104(4)(e)	1964	State income tax refund deduction for individuals, estates, and trusts	\$16,073,000
4.09	§39-22-104(4)(f)	1982	Pension or annuity subtraction, taxpayer and spouse for individuals, estates, and trusts	\$396,888,000
4.10	§39-22-104(4)(f)	1982	Deduction for railroad benefit subtraction, tier I or II only	\$3,413,000
4.12	§39-22-104(4)(i)	1997	Tuition program contribution deduction for individuals, estates, and trusts	\$15,878,000
4.13	§39-22-104(4)(m)	2000	Qualifying charitable contribution deduction for individuals, estates, and trusts	\$10,851,000
4.14	§39-22-104(4)(n)	2008	Wildfire mitigation measures deduction for individuals, estates, and trusts	\$82,000
4.65	§39-22-518	1994	Colorado source capital gain deduction	\$5,030,000
4.98	1 CCR 201-22, Regulation 39-22-110 (1)(a)(ii)(D)	1973	Deduction for qualified reservation income	\$3,610,000
<b>Total Individual Income Tax Deductions</b>				<b>\$457,585,000</b>

**Individual Income Tax TABOR Expenditures (Full-Year Residents) <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.80	§39-22-627	2005	Temporary adjustment of rate of income tax	Not Applicable
4.81	§39-22-2001, §39-22-2002, §39-22-2003	1999	State sales tax refund	
<b>Total Individual Income Tax TABOR Expenditures</b>				<b>Not Applicable</b>

**Total Individual Income Tax Expenditures (Full-Year Residents) \$619,182,000**

<sup>1</sup> The income tax expenditures presented in Chapter 4 of the 2016 Tax Profile and Expenditure Report are separated by tax type (Individual, Fiduciary, Partnership, Corporate) in this report. Based on a review of the four Colorado income tax booklets and the Department of Revenue FY1 publications, the Office of Research and Analysis classified the expenditures into the four tax types. These classifications are preliminary and subject to change upon further review.

Fiduciary Income Tax Expenditures

Fiduciary Income Tax Credits <sup>1</sup>

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.24	§39-22-105	1987	Colorado minimum tax credit	Combined Values
4.25	§39-22-108	1937	Credit for income tax paid to another state for individuals, estates, and trusts	
4.26	§39-22-108.5	2006	Dual resident trust credit	
4.32	§39-22-121	1998	Child care contribution tax credit	
4.56	§39-22-514	1990	Historic property preservation tax credit	
4.58	§39-22-516(2.5)	1992	Nonrefundable alternative fuel vehicle tax credit	
4.60	§39-22-516(2.7)	1998	Alternative fuel refueling facility tax credit	
4.63	§39-22-517(1)	1992	Child care investment tax credit	
4.64	§39-22-517(2)	1992	Employer child care facility investment tax credit	
4.66	§39-22-520	1997	School-to-career investment tax credit	
4.67	§39-22-521	1997	Colorado works program tax credit	
4.68	§39-22-522	1999	Gross conservation easement tax credit	
4.69	§39-22-526	2000	Contaminated land redevelopment tax credit	
4.72	§39-22-531	2009	Job growth incentive income tax credit	
4.73	§39-22-532	2009	Colorado innovation investment tax credit	
4.77	§39-22-535	2013	Certified auction group license fee tax credit	
<b>Subtotal</b>				<b>\$6,299,000</b>
4.83	§39-30-103.5	1989	Contribution to enterprise zone administrator tax credit	Combined Values
4.84	§39-30-104(1)(a)	1986	Enterprise zone investment tax credit	
4.85	§39-30-104(1)(b)	2009	Commercial vehicle enterprise zone investment tax credit	
4.87	§39-30-104(4)	1996	Enterprise zone qualified job training program investment tax credit	
4.88	§39-30-105(1)(a)(I)	1986	Enterprise zone new business facility employee tax credit	
4.89	§39-30-105(1)(a)(III)	2002	Enhanced rural enterprise zone new business facility employee tax credit	
4.90	§39-30-105(1)(b)	1987	Enterprise zone employee health insurance tax credit	
4.91	§39-30-105(3)(a)	1987	Enterprise zone agricultural processing employee tax credit	
4.92	§39-30-105(3)(b)	2002	Enhanced rural enterprise zone agricultural processing employee tax credit	
4.94	§39-30-105.5	1988	Enterprise zone research and experimental tax credit	
4.95	§39-30-105.6	1989	Enterprise zone vacant commercial building rehabilitation tax credit	
4.96	§39-32-105	1998	Rural technology enterprise zone tax credit	
<b>Subtotal</b>				<b>\$162,000</b>
4.61	§39-22-516.5, §39-22-516.7	2009, 2013	Innovative motor vehicle tax credit	Data Not Available
4.75	§39-22-533	2009	Instream flow incentive tax credit	Data Not Available
<b>Subtotal</b>				<b>Data Not Available</b>
4.57	§39-22-514.5	2014	Credit for qualified costs incurred in the preservation of historic structures	Not Applicable
4.59	§39-22-516(2.6)	2009	Refundable alternative fuel vehicle tax credit	
4.62	§39-22-516.8	2014	Innovative truck tax credit	
4.70	§39-22-526	2014	Remediation of contaminated land tax credit	
4.71	§39-22-530	2008	Developmental disability employee tax credit	
4.74	§39-22-532	2014	Advanced industry investment tax credit	
4.76	§39-22-534	2012	Inherited agricultural land tax credit	
4.78	§39-22-536	2014	Tax credit for food contributed to hunger relief charitable organizations	
4.79	§39-22-537	2014	Business personal property tax credit	
4.82	§39-22-2102	2000	Low-income housing income tax credit	
4.86	§39-30-104(2.6)	2015	Enterprise zone renewable energy tax credit	
4.93	§39-30-105.1	2013	Enterprise zone new employee tax credit	
<b>Subtotal</b>				<b>Not Applicable</b>
<b>Total Fiduciary Income Tax Credits</b>				<b>\$6,461,000</b>

**Fiduciary Income Tax Expenditures**

**Fiduciary Income Tax Deductions <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact	
4.01	§39-22-104(4)(a)	1964	United States government interest deduction for individuals, estates, and trusts	Data Not Available	
4.02	§39-22-104(4)(a.5)	1990	Deduction of interest income earned on Colorado investment deposits for individuals, estates, and trusts		
4.03	§39-22-104(4)(b)	1964	Deduction for income from the disposition of assets acquired prior to January 1, 1987, that has a higher Colorado basis than federal basis for individuals, estates, and trusts		
4.04	§39-22-104(4)(c)	1982	Deduction for PERA contribution made in 1984-1986 / DPSRS contributions made in 1986 for individuals, estates, and trusts		
4.05	§39-22-104(4)(c)	1982	Repayment deduction for individuals, estates, and trusts		
4.06	§39-22-104(4)(c)	1982	Deduction for IRC 1341 Credit (Repayment)		
4.07	§39-22-104(4)(d)	1964	Colorado net operating loss deduction for individuals, estates, and trusts		
4.08	§39-22-104(4)(e)	1964	State income tax refund deduction for individuals, estates, and trusts		
4.09	§39-22-104(4)(f)	1982	Pension or annuity subtraction, taxpayer and spouse for individuals, estates, and trusts		
4.10	§39-22-104(4)(f)	1982	Deduction for railroad benefit subtraction, tier I or II only		
4.11	§39-22-104(4)(h)	1994	Medical savings employer contribution deduction for individuals, estates, and trusts		
4.12	§39-22-104(4)(i)	1997	Tuition program contribution deduction for individuals, estates, and trusts		
4.13	§39-22-104(4)(m)	2000	Qualifying charitable contribution deduction for individuals, estates, and trusts		
4.14	§39-22-104(4)(n)	2008	Wildfire mitigation measures deduction for individuals, estates, and trusts		
4.16	§39-22-104(4)(o)	2010	Deduction of employer matching contributions to an adult learner individual trust account or savings account	Data Not Available	
4.18	§39-22-104(4)(q)	2013	Exonerated persons deduction for individuals, estates, and trusts		
4.27	§39-22-112(1)	1937	Deduction for insurance companies subject to a gross premiums levy		
4.28	§39-22-112(1)	1937	Deduction for non-profit corporations that file federal form 990		
4.51	§39-22-402	1964	Fiduciary subtraction/Fiduciary or partnership modification deduction		
4.52	§39-22-504.7(2)(e)	1994	Deduction for medical savings account contributions		
4.65	§39-22-518	1994	Colorado source capital gain deduction		
<b>Subtotal</b>					<b>Data Not Available</b>
4.15	§39-22-104(4)(n.5)	2013	Wildfire mitigation measures deduction for individuals, estates, and trusts		Not Applicable
4.17	§39-22-104(4)(p)	2013	Military family relief fund grants deduction for individuals, estates, and trusts		
4.19	§39-22-104(4)(r)	2013	Colorado medical marijuana code deduction for individuals, estates, and trusts		
4.20	§39-22-104(4)(s)	2013	Colorado retail marijuana code deduction for individuals, estates, and trusts		
4.21	§39-22-104(4)(t)	2014	Non-resident disaster relief worker deduction for individuals, estates, and trusts		
4.22	§39-22-104(4)(u)	2015	Deduction for active duty military service persons who reacquired Colorado residency for individuals, estates, and trusts		
<b>Subtotal</b>				<b>Not Applicable</b>	
<b>Total Fiduciary Income Tax Deductions</b>				<b>Data Not Available</b>	

**Fiduciary Income Tax TABOR Expenditures <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.80	§39-22-627	2005	Temporary adjustment of rate of income tax	Not Applicable
<b>Total Fiduciary Income Tax TABOR Expenditures</b>				<b>Not Applicable</b>

**Total Fiduciary Income Tax Expenditures \$6,461,000**

<sup>1</sup> The income tax expenditures presented in Chapter 4 of the 2016 Tax Profile and Expenditure Report are separated by tax type (Individual, Fiduciary, Partnership, Corporate) in this report. Based on a review of the four Colorado income tax booklets and the Department of Revenue FYI publications, the Office of Research and Analysis classified the expenditures into the four tax types. These classifications are preliminary and subject to change upon further review.

**Partnership Income Tax Expenditures**

**Partnership Income Tax Credits <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.32	§39-22-121	1998	Child care contribution tax credit	Combined Values
4.56	§39-22-514	1990	Historic property preservation tax credit	
4.58	§39-22-516(2.5)	1992	Nonrefundable alternative fuel vehicle tax credit	
4.60	§39-22-516(2.7)	1998	Alternative fuel refueling facility tax credit	
4.61	§39-22-516.5, §39-22-516.7	2009, 2013	Innovative motor vehicle tax credit	
4.63	§39-22-517(1)	1992	Child care investment tax credit	
4.64	§39-22-517(2)	1992	Employer child care facility investment tax credit	
4.66	§39-22-520	1997	School-to-career investment tax credit	
4.67	§39-22-521	1997	Colorado works program tax credit	
4.69	§39-22-526	2000	Contaminated land redevelopment tax credit	
4.72	§39-22-531	2009	Job growth incentive income tax credit	
4.73	§39-22-532	2009	Colorado innovation investment tax credit	
4.97	§39-35-104	2005	Aircraft manufacturer new employee tax credit	
<b>Subtotal</b>				<b>\$798,000</b>
4.83	§39-30-103.5	1989	Contribution to enterprise zone administrator tax credit	Combined Values
4.84	§39-30-104(1)(a)	1986	Enterprise zone investment tax credit	
4.85	§39-30-104(1)(b)	2009	Commercial vehicle enterprise zone investment tax credit	
4.87	§39-30-104(4)	1996	Enterprise zone qualified job training program investment tax credit	
4.88	§39-30-105(1)(a)(I)	1986	Enterprise zone new business facility employee tax credit	
4.89	§39-30-105(1)(a)(III)	2002	Enhanced rural enterprise zone new business facility employee tax credit	
4.90	§39-30-105(1)(b)	1987	Enterprise zone employee health insurance tax credit	
4.91	§39-30-105(3)(a)	1987	Enterprise zone agricultural processing employee tax credit	
4.92	§39-30-105(3)(b)	2002	Enhanced rural enterprise zone agricultural processing employee tax credit	
4.94	§39-30-105.5	1988	Enterprise zone research and experimental tax credit	
4.95	§39-30-105.6	1989	Enterprise zone vacant commercial building rehabilitation tax credit	
4.96	§39-32-105	1998	Rural technology enterprise zone tax credit	
<b>Subtotal</b>				<b>\$255,000</b>
4.68	§39-22-522	1999	Gross conservation easement tax credit	Data Not Available
4.75	§39-22-533	2009	Instream flow incentive tax credit	Data Not Available
4.77	§39-22-535	2013	Certified auction group license fee tax credit	Data Not Available
<b>Subtotal</b>				<b>Data Not Available</b>
4.57	§39-22-514.5	2014	Credit for qualified costs incurred in the preservation of historic structures	Not Applicable
4.59	§39-22-516(2.6)	2009	Refundable alternative fuel vehicle tax credit	
4.62	§39-22-516.8	2014	Innovative truck tax credit	
4.70	§39-22-526	2014	Remediation of contaminated land tax credit	
4.71	§39-22-530	2008	Developmental disability employee tax credit	
4.74	§39-22-532	2014	Advanced industry investment tax credit	
4.76	§39-22-534	2012	Inherited agricultural land tax credit	
4.78	§39-22-536	2014	Tax credit for food contributed to hunger relief charitable organizations	
4.79	§39-22-537	2014	Business personal property tax credit	
4.82	§39-22-2102	2000	Low-income housing income tax credit	
4.86	§39-30-104(2.6)	2015	Enterprise zone renewable energy tax credit	
4.93	§39-30-105.1	2013	Enterprise zone new employee tax credit	
<b>Subtotal</b>				<b>Not Applicable</b>
<b>Total Partnership Income Tax Credits</b>				<b>\$1,053,000</b>

**Partnership Income Tax Deductions <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.01	§39-22-104(4)(a)	1964	United States government interest deduction for individuals, estates, and trusts	Combined Values
4.27	§39-22-112(1)	1937	Deduction for insurance companies subject to a gross premiums levy	
4.28	§39-22-112(1)	1937	Deduction for non-profit corporations that file federal form 990	
4.36	§39-22-206	1993	Deduction for foreign source income of export taxpayers	
4.52	§39-22-504.7(2)(e)	1994	Deduction for medical savings account contributions	
4.65	§39-22-518	1994	Colorado source capital gain deduction	
<b>Total Partnership Income Tax Deductions</b>				<b>\$352,290,000</b>

**Partnership Income Tax TABOR Expenditures <sup>1</sup>**

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.80	§39-22-627	2005	Temporary adjustment of rate of income tax	Not Applicable
<b>Total Partnership Income Tax TABOR Expenditures</b>				<b>Not Applicable</b>

<b>Total Partnership Income Tax Expenditures</b>				<b>\$353,343,000</b>
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<sup>1</sup> The income tax expenditures presented in Chapter 4 of the 2016 Tax Profile and Expenditure Report are separated by tax type (Individual, Fiduciary, Partnership, Corporate) in this report. Based on a review of the four Colorado income tax booklets and the Department of Revenue FY1 publications, the Office of Research and Analysis classified the expenditures into the four tax types. These classifications are preliminary and subject to change upon further review.

Corporation Income Tax Expenditures

Corporation Income Tax Credits <sup>1</sup>

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.32	§39-22-121	1998	Child care contribution tax credit	Combined Values
4.37	§39-22-301(3)	1982	Crop and livestock contribution tax credit	
4.53	§39-22-507.5	1979	Old investment tax credit	
4.56	§39-22-514	1990	Historic property preservation tax credit	
4.58	§39-22-516(2.5)	1992	Nonrefundable alternative fuel vehicle tax credit	
4.60	§39-22-516(2.7)	1998	Alternative fuel refueling facility tax credit	
4.61	§39-22-516.5, §39-22-516.7	2009, 2013	Innovative motor vehicle tax credit	
4.63	§39-22-517(1)	1992	Child care investment tax credit	
4.64	§39-22-517(2)	1992	Employer child care facility investment tax credit	
4.66	§39-22-520	1997	School-to-career investment tax credit	
4.67	§39-22-521	1997	Colorado works program tax credit	
4.68	§39-22-522	1999	Gross conservation easement tax credit	
4.69	§39-22-526	2000	Contaminated land redevelopment tax credit	
4.72	§39-22-531	2009	Job growth incentive income tax credit	
4.75	§39-22-533	2009	Instream flow incentive tax credit	
4.77	§39-22-535	2013	Certified auction group license fee tax credit	
4.97	§39-35-104	2005	Aircraft manufacturer new employee tax credit	
<b>Subtotal</b>				<b>\$3,528,000</b>
4.83	§39-30-103.5	1989	Contribution to enterprise zone administrator tax credit	Combined Values
4.84	§39-30-104(1)(a)	1986	Enterprise zone investment tax credit	
4.85	§39-30-104(1)(b)	2009	Commercial vehicle enterprise zone investment tax credit	
4.87	§39-30-104(4)	1996	Enterprise zone qualified job training program investment tax credit	
4.88	§39-30-105(1)(a)(I)	1986	Enterprise zone new business facility employee tax credit	
4.89	§39-30-105(1)(a)(III)	2002	Enhanced rural enterprise zone new business facility employee tax credit	
4.90	§39-30-105(1)(b)	1987	Enterprise zone employee health insurance tax credit	
4.91	§39-30-105(3)(a)	1987	Enterprise zone agricultural processing employee tax credit	
4.92	§39-30-105(3)(b)	2002	Enhanced rural enterprise zone agricultural processing employee tax credit	
4.94	§39-30-105.5	1988	Enterprise zone research and experimental tax credit	
4.95	§39-30-105.6	1989	Enterprise zone vacant commercial building rehabilitation tax credit	
4.96	§39-32-105	1998	Rural technology enterprise zone tax credit	
<b>Subtotal</b>				<b>\$17,193,000</b>
4.57	§39-22-514.5	2014	Credit for qualified costs incurred in the preservation of historic structures	Not Applicable
4.59	§39-22-516(2.6)	2009	Refundable alternative fuel vehicle tax credit	
4.62	§39-22-516.8	2014	Innovative truck tax credit	
4.70	§39-22-526	2014	Remediation of contaminated land tax credit	
4.71	§39-22-530	2008	Developmental disability employee tax credit	
4.74	§39-22-532	2014	Advanced industry investment tax credit	
4.76	§39-22-534	2012	Inherited agricultural land tax credit	
4.78	§39-22-536	2014	Tax credit for food contributed to hunger relief charitable organizations	
4.79	§39-22-537	2014	Business personal property tax credit	
4.82	§39-22-2102	2000	Low-income housing income tax credit	
4.86	§39-30-104(2.6)	2015	Enterprise zone renewable energy tax credit	
4.93	§39-30-105.1	2013	Enterprise zone new employee tax credit	
<b>Subtotal</b>				<b>Not Applicable</b>
4.54	§39-22-507.6	1987	New investment tax credit	\$393,000
<b>Total Corporation Income Tax Credits</b>				<b>\$21,114,000</b>

## Corporation Income Tax Expenditures

### Corporation Income Tax Deductions <sup>1</sup>

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.27	§39-22-112(1)	1937	Deduction for insurance companies subject to a gross premiums levy	Combined Values
4.28	§39-22-112(1)	1937	Deduction for non-profit corporations that file federal form 990	
4.40	§39-22-304(3)(c)	1964	Deduction for income from the disposition of assets acquired prior to January 1, 1987, that has a higher Colorado basis than federal basis for C corporations	
4.41	§39-22-304(3)(d)	1977	Deduction for gain from a qualified sale under threat of condemnation	
4.42	§39-22-304(3)(e)	1964	Deduction for previously taxed income or gain for C corporations	
4.45	§39-22-304(3)(h)	1964	Excess oil shale depletion deduction for C corporations	
4.48	§39-22-304(3)(k)	1994	Medical savings employer contribution deduction for C corporations	
4.55	§39-22-509	1979	Deduction for ride-sharing or mass transit expenses	
4.43	§39-22-304(3)(f)	1964	Colorado income tax refund deduction for C corporations	
4.46	§39-22-304(3)(i)	1979	Deduction for wages and salaries not deducted on federal return due to IRC Section 280C	
4.47	§39-22-304(3)(j)	1977	Deduction for gross-up provisions of section 78 of the Internal Revenue Code	
4.52	§39-22-504.7(2)(e)	1994	Deduction for medical savings account contributions	
<b>Subtotal</b>				
4.49	§39-22-304(3)(m)	2013	Colorado medical marijuana code deduction for C corporations	Not Applicable
4.50	§39-22-304(3)(n)	2013	Colorado retail marijuana code deduction for C corporations	Not Applicable
<b>Subtotal</b>				<b>Not Applicable</b>
4.38	§39-22-303(10)	1985	Deduction for excludable foreign source income	\$77,250,000
4.39	§39-22-304(3)(a) & (b)	1964	Exempt federal interest deduction for C corporations	\$3,486,000
4.44	§39-22-304(3)(g)	1964	Colorado net operating loss deduction for C corporations	\$25,465,000
4.65	§39-22-518	1994	Colorado source capital gain deduction	\$40,000
<b>Total Corporation Income Tax Deductions</b>				<b>\$155,555,000</b>

### Corporation Income Tax TABOR Expenditures <sup>1</sup>

Expenditure Number	Statute Citation, C.R.S.	Year Enacted	Tax Expenditure Description	Estimated 2013 Revenue Impact
4.80	§39-22-627	2005	Temporary adjustment of rate of income tax	Not Applicable
<b>Total Corporation Income Tax TABOR Expenditures</b>				<b>Not Applicable</b>

<b>Total Corporation Income Tax Expenditures</b>	<b>\$176,669,000</b>
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<sup>1</sup> The income tax expenditures presented in Chapter 4 of the 2016 Tax Profile and Expenditure Report are separated by tax type (Individual, Fiduciary, Partnership, Corporate) in this report. Based on a review of the four Colorado income tax booklets and the Department of Revenue FY1 publications, the Office of Research and Analysis classified the expenditures into the four tax types. These classifications are preliminary and subject to change upon further review.