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M E M O R A N D U M

August 6, 2015

TO: Interested Persons

FROM: Legislative Council Staff Economics Section, 303-866-3521

SUBJECT: Availability of Historic Property Preservation Income Tax Credit and Cleanroom Machinery Sales and Use Tax Exemption

Table 1 shows the availability of the historic property preservation income tax credit and the cleanroom machinery sales and use tax exemption, each of which is available only when the Legislative Council Staff forecast indicates that General Fund revenue will be sufficient to allow General Fund appropriations to increase by at least 6 percent. The June 2015 forecast expects revenue to meet this requirement in FY 2014-15, but not in FYs 2015-16 and 2016-17.

The *historic property preservation income tax credit* is available for tax year 2015. The June 2015 forecast does not anticipate it to be available for tax years 2016 and 2017. However, its actual availability for tax years 2016 and 2017 will depend on the December 2015 and December 2016 forecasts, respectively. For more information about the credit, please refer to the Department of Revenue's [FYI Income 1 publication](#).¹

The *cleanroom machinery sales and use tax exemption* will be available through June 2016. While it is currently not expected to be available beginning July 2016, its actual availability between July 2016 and June 2017 will depend on the June 2016 forecast. For more information about the exemption, please refer to the Department of Revenue's [FYI Sales 73 publication](#).²

**Table 1
Tax Policies Dependent on Sufficient General Fund Revenue to Allow General Fund
Appropriations to Increase by at Least 6.0 Percent**

Tax Benefit	Forecast that Determines Availability	Tax Benefit Availability
Historic property preservation income tax credit (39-22-514, C.R.S.)	December forecast immediately before the tax year when the credit becomes available.	Available in tax years 2013 through 2015. Not expected to be available for tax years 2016 and 2017. Repealed tax year 2020.
Cleanroom Machinery Sales and Use Tax Exemption (39-26-722, C.R.S.)	If the June forecast indicates sufficient revenue for the fiscal year that is about to end, the exemption will become available in July.	Currently available through June 2016. Not expected to be available July 2016 through June 2018. Repealed July 1, 2018.

¹<https://www.colorado.gov/pacific/sites/default/files/Income1.pdf>

²<https://www.colorado.gov/pacific/sites/default/files/Sales73.pdf>