

**COLORADO DEPARTMENT OF REVENUE  
GROSS CONSERVATION EASEMENT**

**GUIDELINE FOR STATUTE OF LIMITATIONS**

Pursuant to Section 39-22-522(7), C.R.S., for income tax years commencing on or after January 1, 2000 a taxpayer, designated as tax matter representative (TMR) pursuant to Section 39-22-522(7)(i), C.R.S., may transfer all or a portion of their Gross Conservation Easement (GCE) credit to another taxpayer, as transferee, subject to certain limitations. A transferee is subject to the same statute of limitations with respect to the credit as the TMR of the credit. See § 39-22-522(7)(i), C.R.S.; Reg. 39-22-522(3)(j)(vii).

In no case shall the statute of limitations for a TMR or transferee be less than four years from the date their tax return is due, or filed, whichever is later Sections 39-21-107(2) and (3), C.R.S. and Regulation 39-21-107(2). Exceptions to the general statute of limitations rule as contained in Section 39-21-107, C.R.S. and Regulation 39-21-107 shall also apply to a TMR and transferee. In situations where an exception to the general statute of limitations applies to the TMR, the transferee shall also be bound by the extended statute of limitations period, but only with respect to the GCE credit.

**Extension of Time to File**

If the TMR of the credit files a return under an extension of time to file as provided by Section 39-22-608 C.R.S., the transferee shall be bound by the statute of limitations of the TMR's extended due date for purposes of the GCE credit. If the TMR files after the original due date but before the extended due date of the return, the statute of limitations for both the TMR and transferee shall be four years from the date such return is filed. If the TMR files on or after the extended due date of the return, the statute of limitations for the TMR and transferee shall be four years from the date the return was filed.

**Extension of Statute of Limitation by Express Waiver**

If the TMR agrees to extend the statute of limitations in writing as provided by Sections 39-21-107(2) and (5), C.R.S., consistent with Section 39-22-522(7)(i), C.R.S., the transferee shall be bound by the same statute of limitations as the TMR, whether or not such transferee is explicitly referenced in such waiver agreement with the TMR. Again, this applies only to the GCE credit and not unrelated items on the transferee's return.

**Credits Claimed Where the TMR Fails to File a Return or Files a False or Fraudulent Return**

Pursuant to Section 39-21-107(4), C.R.S., tax may be assessed at any time in the case of failure to file a return or the filing of a false or fraudulent return. Where a TMR fails to file, or files a false or fraudulent return, the transferee may be assessed at any time for any GCE credit adjustment. However, as the confidentiality provisions of Section 39-21-113(17.5), C.R.S. allow the disclosure in the Executive Director's judgment of information regarding a GCE credit to a transferee, in cases where the TMR fails to file, the Department will strive to assess the tax relating to the claim of a GCE credit within four years of the filing of the transferee's return and may provide the transferee with information consistent with the Department's Guideline for Disclosure of Information Regarding Gross Conservation Easements Pursuant to Section 39-21-113(17.5), C.R.S.