

A taxpayer may claim a credit for monetary or in-kind contributions they make to an enterprise zone administrator or to a program, project, or organization certified by the enterprise zone administrator for the purpose of implementing the economic development plan of the enterprise zone.

Information about taxpayer contributions and their effect on Colorado income tax liabilities may be subject to release to the public.

TAXPAYERS ELIGIBLE FOR THE CREDIT

All taxpayers, including resident and nonresident individuals, estates, trusts, partnerships, and corporations can claim the credit for qualifying contributions they make.

QUALIFYING CONTRIBUTIONS

Only contributions made to an enterprise zone administrator or to a program, project, or organization certified by an enterprise zone administrator qualify for the enterprise zone contribution credit. A list of enterprise zone administrators can be found at choosecolorado.com/doing-business/incentives-financing/ez/administrators/. A list of certified programs, projects, and organizations can be found at: choosecolorado.com/doing-business/incentives-financing/ez/enterprise-zone-contribution-projects/.

A taxpayer cannot claim a credit for any contribution from which they directly benefit.

CREDIT CALCULATION

For cash contributions, the credit equals 25% of the total cash contribution, except that the total credit claimed for each tax year cannot exceed \$100,000. If a taxpayer's contributions include any in-kind contributions, the in-kind contributions cannot exceed 50% of the total contributions for the tax year. If a taxpayer's qualifying contributions consist, in full or in part, of in-kind contributions, the following formula must be used to calculate the credit. In-kind contributions are non-monetary contributions such as materials, furniture, equipment, or company stock.

1. Amount of cash contributions	\$ _____
2. Value of in-kind contributions	\$ _____
3. Total of lines 1 and 2	\$ _____
4. Smaller of \$100,000 or 25% of line 3	\$ _____
5. Limitation on in-kind credit, 50% of line 4	\$ _____
6. Allowable in-kind credit, smaller of lines 2 or 5	\$ _____
7. Limitation on cash credit, line 4 minus line 6	\$ _____
8. Allowable cash credit, smaller of line 1 or line 7	\$ _____
9. Total credit, line 6 plus line 8	\$ _____

The credit is nonrefundable. Consequently, if the total credit a taxpayer claims for a given tax year (in combination with all other nonrefundable credits the taxpayer claims) exceeds the taxpayer's tax for that year the excess credit will not be refunded to the taxpayer. Instead, the taxpayer can carry forward the excess credit to the following tax year. Taxpayers can carry forward excess credits for up to five tax years, but must use the excess credits in the earliest tax year possible.

HOW TO CLAIM THE CREDIT

A taxpayer must obtain a Certification of Qualified Enterprise Zone Contribution (DR 0075) from the enterprise zone administrator, program, project, or organization prior to claiming any credit. Taxpayers must file an annual income tax return along with the associated credit schedule and Form DR 1366 in order to claim the credit. For credit claims of \$250 or more, the taxpayer must submit a copy of the certification with their return. For credit claims of less than \$250, the taxpayer must retain a copy of the certification in their records and provide a copy of it to the Department upon request. A taxpayer claiming an enterprise zone credit on their return must file electronically unless they are unable to do so.



ADDITIONAL RESOURCES

- *Colorado statutes and regulations*
 - § 39-30-103.5, C.R.S. and Dept. Rule 39-30-103.5 (enterprise zone contribution credit)
 - § 39-30-111, C.R.S. (requirement to file electronically to claim enterprise zone credits)
- *Colorado forms, publications, and guidance*
 - Form DR 1366 - Enterprise Zone Credit and Carryforward Schedule
 - Form DR 0078A - Pass-Through Entity Enterprise Zone Credit Distribution Report
 - Colorado.gov/RevenueOnline (to file electronically)
 - FYI General 6 - General Information About Colorado Enterprise Zones
- *Other resources*
 - choosecolorado.com/doing-business/incentives-financing/ez/ (Office of Economic Development and International Trade (OEDIT) - general information about enterprise zone credits)
 - choosecolorado.com/doing-business/incentives-financing/ez/administrators/ (list of enterprise zone administrators)
 - choosecolorado.com/doing-business/incentives-financing/ez/enterprise-zone-contribution-projects/ (list of certified programs, projects, and organizations)

FYIs represent a good faith effort to provide general information concerning a variety of Colorado tax topics in simple and straightforward language. By their nature, however, FYIs cannot and do not address all taxpayer situations nor do they provide a comprehensive overview of Colorado's tax laws. For this reason, FYIs are not binding on the Colorado Department of Revenue, nor do they replace, alter, or supersede Colorado law and regulations.

A taxpayer seeking additional guidance regarding the tax consequences of a particular transaction or factual scenario can request a Private Letter Ruling (PLR) or General Information Letter (GIL). Requests for PLRs and GILs must comply with certain requirements, which are currently set forth at 1 Code of Colorado Regulations 201-1, Regulation 24-35-103.5. PLRs are binding upon the Department only with respect to the specific taxpayer that requested the PLR. GILs are for informational purposes only and are not binding on the Department.