

Bill #	Exemption/Credit	Summary of Current Law and Proposal	FY10-11 Impact	FY11-12 Impact	Implem Date	Duration
HB 1189	Suspend sales and use tax exemption for direct mail advertising	Current law allows for sales and use tax exemptions for all materials used by cooperative direct mail advertisers generating discount coupons, advertising leaflets, preprinted newspaper supplements, or other printed documents. This proposal would eliminate the exemption for three years.	\$1,450,000	\$1,450,000	3/1/2010	Ongoing
HB 1190	Suspend exemption for industrial and manufacturing energy use	Current law allows for an exemption on all sales and purchases of energy used in industrial or manufacturing services in Colorado. This proposal would suspend this exemption for three years.	\$48,000,000	\$48,000,000	3/1/2010	2 ys 4 mnths
HB 1191	Eliminate sales tax exemption for candy and soft drinks	Current law allows for an exemption on sales tax for nearly all food sold at grocery stores. This proposal would modify the existing definition of taxable food items to exclude candy and soft drinks. The new tax would apply to both retail stores and vending machines. Rules for collecting sales tax on candy and soft drinks will be established by the Department of Revenue.	\$17,900,000	\$17,900,000	3/1/2010	Ongoing
HB 1192	Eliminate software exemption	Current regulations promulgated by the Department of Revenue allow for an exemption for software purchases so long as: 1) it is not packaged for repeat sale, 2) it is not subject to a non-negotiable, tear open license agreement, and 3) it is not delivered on a disc or other tangible medium. This proposal seeks to redefine the regulations followed by the Department (specifically related to the definition of tangible personal property), to include software transferred by non-physical means in the definition of "tangible personal property" and subject it to tax.	\$15,000,000	\$15,000,000	3/1/2010	Ongoing
HB 1193	Enforce sales tax collections for online purchases	Current law does not specifically enforce the collection of state sales tax on internet purchases. This proposal would seek to enforce such tax collection responsibility associated with purchases of goods against certain online vendors. Such online vendors would be vendors that associate with in-state affiliates that help the vendor to establish and maintain their in-state market.	\$5,000,000	\$5,000,000	3/1/2010	Ongoing

HB 1194	Eliminate exemption for non-essential food containers	Current law allows for the purchase of materials used by food or meal vendors to be exempt from sales tax if those materials are sold at the time of food or beverage purchase without a separate charge to the consumer. This proposal would make taxable non-essential items, such as: cartons, napkins, bags, condiments, and plasticware at restaurants.	\$2,100,000	\$2,100,000	3/1/2010	Ongoing
HB 1195	Suspend exemption for agricultural compounds, pesticides, and bull semen	Current law allows for insecticides, fungicides, vaccines, hormones, and other animal drugs used in caring for livestock to be exempt from taxation. Likewise, all sales and purchases of bull semen for agricultural or ranching purposes are exempt as well as pesticides used in the production of agricultural and livestock products. This proposal would suspend these sales tax exemptions for three years.	\$1,500,000	\$1,500,000	3/1/2010	3 years
HB 1196	Revise alternative fuel vehicle credits	Effective January 1, 2010, taxpayers can receive a tax credit up to \$6,000 per year for certain alternative fuel vehicles (\$7,500 per year for plug-in hybrids). This proposal would limit which vehicles would be eligible for this credit to no longer include vehicles with miles per gallon (mpg) rates between 30 and 40 mpg.	\$1,250,000	\$2,500,000	1/1/2011	Ongoing
HB 1197	Limit gross conservation easement credits	Current law allows for taxpayers to receive an income tax credit for conservation easements on property, equal to 50% of the value of the easement, not to exceed \$375,000. This proposal would reduce the maximum per credit not to exceed \$135,000 for donations made on or after January 1, 2011.	\$13,000,000	\$26,000,000	1/1/2011	Ongoing
HB 1198	Elimination of alternative minimum tax and tax credit	Current law in Colorado on taxable income mirrors the federal definition of taxable income. This also applies to the federal allowance for alternative minimum tax and the alternative minimum tax credit. This proposal would repeal the alternative minimum tax and tax credit in Colorado. However, the bill's title only mentions the repeal of the alternative minimum tax credit.	\$2,500,000	\$5,000,000	1/1/2010	Ongoing

HB 1199	Limit net operating loss to \$250,000	Current law allows for corporations that incur a loss in a given tax year to carry that loss forward to offset income in a future year, allowing corporations to get "back to zero" net income before paying income taxes. This proposal would temporarily limit the amount of net operating loss to be carried forward and applied against income to \$250,000 for each of the next three years. A net operating loss may be carried forward one additional year for each year that a corporation is prohibited from carrying forward a portion of its net operating loss because of this limit.	\$16,750,000	\$33,500,000	1/1/2011	3 years
HB 1200	Temporarily cap the corporate enterprise zone investment tax credit at \$250,000	Current law allows for any depreciable equipment purchased and used within an enterprise zone to be eligible for a tax credit equal to \$5,000 plus 50 percent of the taxpayer's tax liability in excess of \$5,000. This proposal would cap the amount of investment tax credits per taxpayer to \$250,000 per year for 2011, 2012, and 2013 and would require that a taxpayer defer claiming any amount of the credit allowed that exceeds \$250,000 until 2014.	\$4,450,000	\$8,900,000	1/1/2011	3 years
<b>Total Impact of all Exemption and Credit Revisions:</b>			<b>\$128,900,000</b>	<b>\$166,850,000</b>		