

## Enterprise Zone Program Commercial Vehicle Investment Tax Credit

In 2010, legislative changes were made to the Enterprise Zone (EZ) Program. House Bill 10-1285 established the EZ Commercial Vehicle Investment Tax Credit (CVITC) which makes investment in certain trucks and semi-trailers, made on or after July 1, 2011, eligible for a 1.5% EZ Investment Tax Credit per C.R.S. 39-30-104(1)(b).

### EZ Commercial Vehicle Investment Tax Credit Requirements

Commercial trucks, truck tractors, tractors, or semitrailers, as well as associated parts, purchased on or after July 1, 2011 are eligible for a State Income tax credit equal to 1.5% of the qualified investment pending certification by the Colorado Economic Development Commission (EDC) if predominantly housed and based in the EZ for 12 months following its purchase and if the investment meets all of the following requirements:

- The vehicle is sold as new on or after July 1, 2011.
- Is of model year 2010 or later.
- Has a gross vehicle weight rating of 54,000+ lbs.
- Is designated as Class A personal property per C.R.S. 42-3-106(2)(a).
- Is licensed and registered in Colorado.

### Process Overview

Taxpayers/businesses that have made qualified investments in vehicles may apply for the CVITC by submitting an application per the Application Guidelines below. The CVITC application has two parts:

- **Part A:** Part A of the application may be submitted after a qualified investment has been made and within 14 months of the date of the qualified investment. If Part A of the application is submitted after the qualified investment has been housed and based in the EZ for 12 months, it shall be submitted with Part B of the application.
- **Part B:** Part B of the application shall be submitted within 2 months of the date that the qualified investment has been housed and based in the EZ for 12 months.

Note: The amount of tax credits that can be certified by the EDC is based on a calculation performed by Treasury per statute each year. Tax credits will be certified on a first come first served basis. Applicants are strongly encouraged to submit Part A as soon as possible after making qualified investments to obtain their place in line for this incentive.

### Application Guidelines

To apply, follow these steps:

1. After making a qualified investment on or after July 1, 2011, complete and submit **Part A** of the "Enterprise Zone Commercial Vehicle Investment Tax Credit Application" form, which can be downloaded (available June 2011) at [www.advancecolorado.com/ez](http://www.advancecolorado.com/ez) or requested via phone.
2. Applications (**Part A** and **Part B**) shall be hand delivered or delivered by courier service to OEDIT at the address listed at the bottom of this page during normal business hours (M-F, 8am to 5pm). At the time of delivery, confirmation of receipt by OEDIT is required including time, date and signature by OEDIT staff. OEDIT shall make a copy of the application including the confirmation of receipt and provide to the person of delivery directly. If the application is submitted via courier service, it will be addressed for return courier delivery to the applicant using the address specified by the applicant.
3. An incomplete **Part A** shall be returned to the applicant and given 15 business days to make any necessary corrections and returned to OEDIT while maintaining the original delivery date, time and order of receipt. If necessary corrections for a submitted **Part A** are not received by OEDIT within 15 business days, the applicant shall

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be required to re-apply following step 2 in the Application Guidelines and the applicant's original place in line will become null and void.

4. OEDIT staff shall review and verify if the application is complete and present it to the EDC for their consideration at one of their bi-monthly meetings. The EDC generally meets every other month in January, March, May, July, September, and November; however, this is subject to change at the discretion of the EDC.

5. If **Part A** of the application receives approval by the EDC, it shall be categorized as "recognized" in the annual report to the Department of Revenue until **Part B** of the application is received and approved by the EDC. The tax credit amount "recognized" by the EDC may be claimed by the applicant under the agreement that the qualified investment represented in **Part A** shall be predominantly housed and based in the EZ for 12 months following the date of purchase.

6. Within 2 months after the qualified investment has been predominantly housed and based in the EZ for 12 months, the applicant shall submit **Part B** of the application using the process described in step 2 in the Application Guidelines. The applicant shall certify on **Part B** if the qualified investment was predominantly housed and based in the EZ for 12 months following the date of investment and if approved by the EDC shall be categorized as "certified" in the report to the Department of Revenue. If **Part B** is not approved by the EDC within 2 months of the date that the qualified investment has been predominantly housed and based in the EZ for 12 months, the tax credit shall not be categorized by the EDC as "certified" in the report to the Department of Revenue, and the applicant will have to file an amended tax return to return any credits that were claimed.

Note: Taxpayers may claim the CVITC after being "recognized" by the EDC; however, if qualified investments are not maintained in the EZ for 12 months or if **Part B** of the application is not "certified" by the EDC, the Department of Revenue will be notified and the taxpayer shall be required to amend their tax filing(s) to return any CVITC amount that was claimed.

### January 1, 2012 Certification Changes

Senate Bill 10-162 takes effect on January 1, 2012, and as a result C.R.S. 39-30-103(7) will require a business to receive "pre-certification" prior to engaging in activities for which it intends to earn an Enterprise Zone income tax credit. In order to earn the CVITC, effective January 1, 2012 this change means that:

- Prior to making an investment in a qualified vehicle a business must receive pre-certification authorization from the local Enterprise Zone Administrator.
- After making an investment in a qualified vehicle as described further above, a business shall submit an application form (Part A and Part B) to the EDC.

Note: Forms submitted for pre-certification and certification for the other 7 Enterprise Zone business income tax credits shall be submitted to the business's local Enterprise Zone Administrator and do not require approval by the EDC. Visit the website below for Enterprise Zone Administrator contact information and more information on the other 7 Enterprise Zone business income tax credits.

For details please visit [www.advancecolorado.com/ez](http://www.advancecolorado.com/ez).