

# ***FYI – For Your Information***

## ***Addition To Income For Non-Colorado State and Local Bond Interest***

### **GENERAL INFORMATION**

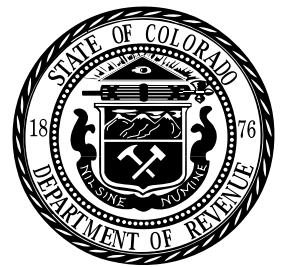
State and local municipal bond interest is exempt from federal tax and therefore is not included in federal taxable income reported on line 1 of the Colorado income tax return. However, this income is taxable in Colorado if it is from sources outside of Colorado or from certain older Colorado municipal bonds. This interest must be added to taxable income on the Colorado return in the "Additions to Federal Taxable Income" section of Form 104. [C.R.S. 39-22-104(3)(b)]

The net amount of state and municipal bond interest to be added to taxable income is the gross amount of the interest reduced by any bond premium amortization applicable to that income and any expenses required to be allocated to that income by the Internal Revenue Code.

### **EXEMPT COLORADO BONDS**

Interest from bonds issued by the state of Colorado or any of its political subdivisions on or after May 1, 1980 is exempt from Colorado tax. This income is not taxable in Colorado and not added back to income. The following types of obligations have been determined to be exempt from Colorado income tax:

1. CRS 22-42-114. Colorado school district bonds issued on or after July 1, 1973.
2. CRS 22-43-104. Colorado school district refunding bonds issued on or after July 1, 1973.
3. CRS 23-3.1-214. Bonds, notes and other obligations issued under authority of the Colorado student loan program.
4. CRS 23-5-105. Any bonds, certificates or warrants issued by the governing board of any state educational institution for the purpose of obtaining funds for constructing, otherwise acquiring, and equipping housing facilities, dining facilities, recreational facilities, health facilities, and parking facilities for the use of students and employees of such institution.
5. CRS 23-15-118. Bonds, notes and other obligations issued under the authority of the Colorado Postsecondary Educational Facilities Authority.
6. CRS 23-20-122(13). Colorado University Student Memorial Center obligations.
7. CRS 23-20-128. Anticipation warrants issued by the University of Colorado to be repaid exclusively from the user revenue accruing to the University of Colorado research revolving fund.



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Forms and other services:  
(303) 238-FAST (3278)  
Assistance:  
(303) 238-SERV (7378)  
Fuel Tax: (303) 205-5602  
[www.taxcolorado.com](http://www.taxcolorado.com)

8. CRS 23-20-129(5). Bonds issued by the University of Colorado for the purpose of obtaining funds for the planning, construction or other acquisition, and equipping of research buildings and facilities, wherever located in the state of Colorado, for the University of Colorado.
9. CRS 23-21-514. Bonds and other obligations issued by the University of Colorado Hospital Authority.
10. CRS 23-31-127. Obligations issued by Colorado State University for financing the acquisition of facilities or equipment or both, for the Colorado State University auditorium-gymnasium.
11. CRS 23-31-133. Anticipation warrants to be repaid exclusively from the user revenues accruing to the Colorado State University research building revolving fund.
12. CRS 23-31-135. Obligations issued to raise money for the construction and acquisition of facilities or equipment, or both, for the Colorado State University Veterinary Medicine Hospital.
13. CRS 23-41-121. Anticipation warrants to be repaid exclusively from the user revenues accruing to the Colorado School of Mines research building revolving fund.
14. CRS 23-70-110. Bonds, certificates, or warrants issued for the purpose of raising funds for constructing, otherwise acquiring, and equipping dining facilities recreational facilities, health facilities, parking facilities, and student center facilities for the use of students and employees at the Auraria Higher Education Center.
15. CRS 23-71-514. Junior College district bonds issued on or after July 1, 1973.
16. CRS 23-71-604. Junior College district refunding bonds issued on or after July 1, 1973.
17. CRS 23-71-710. Bonds and other securities issued under the authority of the Junior College Revenue Securities Law.
18. CRS 25-25-118. Bonds, notes or other obligations issued by the Colorado Health Facilities Authority.
19. CRS 29-1-204. Bonds, notes and other obligations issued by a power authority.
20. CRS 29-1-204.2. Bonds, notes and other obligations issued by a water or drainage authority.
21. CRS 29-1-204.5. Bonds issued by a multi-jurisdictional housing authority.
22. CRS 29-2-112(8). County, city or incorporated town capital improvement financing bonds to be repaid by sales and/or use tax revenue.
23. CRS 29-3-106. Bonds issued on or after July 1, 1979 under the County and Municipality Development Revenue Bond Act.
24. CRS 29-4-122. Bonds issued under authority of the City Housing Law.
25. CRS 29-4-227. Bonds issued under the authority of the Housing Authorities Law.
26. CRS 29-4-727. Bonds issued under the authority of the Colorado Housing Finance Authority Act.
27. CRS 30-11-307. Bonds issued by a county authority related to landfill gas.
28. CRS 30-20-406. Water and sewer revenue bonds.
29. CRS 30-20-533. Bonds issued by an improvement district under the authority of the County Public Improvement Act.

30. CRS 30-20-903. Bonds issued by a county authority related to solid waste-to-energy incineration systems.
31. CRS 30-26-508. Revenue bonds issued under authority of the County Capital Improvement Trust Fund Financing Act.
32. CRS 31-15-716. Bonds issued by a municipal authority related landfill gas.
33. CRS 31-15-1003. Bonds issued by a municipal authority related to solid waste-to-energy incinerating systems.
34. CRS 31-25-109 (7). Bonds issued by a Colorado Urban Renewal Authority.
35. CRS 31-25-632. Bonds issued by public improvement districts.
36. CRS 31-25-812. Revenue bonds issued by a Downtown Development Authority.
37. CRS 31-25-908(3). Revenue bonds issued by a municipal energy finance authority.
38. CRS 31-35-406. Water and sewer revenue bonds.
39. CRS 32-1-1101(1)(d). Special district revenue bonds.
40. CRS 32-1-1103(3)(h). Hospital district revenue bonds.
41. CRS 32-1-1105. Bonds and other securities issued by a Tunnel District.
42. CRS 32-4-542(3). Securities issued by Metropolitan Sewage Disposal Districts.
43. CRS 32-5-226. Hospital district bond and securities.
44. CRS 33-60-110. Bonds issued by the State Board of the Great Outdoors Colorado Trust Fund.
45. CRS 35-75-117. Bonds, notes or other obligations issued under authority of the Colorado Agricultural Development Authority Act.
46. CRS 37-5-106. Bonds issued by a Conservancy District.
47. CRS 37-45-138. Bonds issued by a Water Conservancy District.
48. CRS 37-90-134. Bonds issued by the board of directors of a ground water management district.
49. CRS 37-95-115. Bonds issued by the Colorado Water Resources and Power Development Authority.
50. CRS 39-22-111(2). Obligations of the State of Colorado or a political subdivision thereof, issued on or after May 1, 1980.
51. CRS 41-3-107. Bonds, notes, and other obligations issued by an authority created under the Public Airport Authority Act.
52. CRS 41-5-105. County Airport Revenue Bonds.
53. CRS 43-4-509. Bonds issued by an authority created under the Public Highway Authority Law.
54. CRS 43-4-618. Bonds issued by an authority created under the Rural Transportation Authority Law.

### ***FURTHER INFORMATION***

FYIs, commonly used forms and additional tax information are available on the Web at [www.taxcolorado.com](http://www.taxcolorado.com)

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.