

DEPARTMENT OF REVENUE

Taxation Division

INCOME TAX

1 CCR 201-2

Rule 39-22-567. Quantum Facility Investment Credit Recapture.

Basis and Purpose. The statutory bases for this rule are sections 39-21-112(1) and 39-22-567(10), C.R.S. The purpose of this rule is to provide clarification regarding the conditions under which the Department will disallow a credit under section 39-22-567(10), C.R.S., and require recapture.

Conditions for Recapture. Under section 39-22-567(10), C.R.S., the Office of Economic Development must notify the qualified applicant and the Department if a credit is disallowed and recapture is required because, during the compliance period, the qualified applicant sells, transfers, abandons, or repurposes a substantial portion of the qualifying fixed capital assets for which the qualified applicant was allowed a credit or otherwise ceases to operate the shared quantum facility in this state. The Department will disallow a credit under section 39-22-567(10), C.R.S., and require recapture only if the Department receives notification from the Office of Economic Development pursuant to that section that the credit has been disallowed and recapture is required.