What’s New for the 2015 Income Tax Year

Five new checkoffs appear on the 2015 Colorado Income Tax Form

- American Red Cross Colorado Disaster Response, Readiness, and Preparedness Fund
- Colorado for Healthy Landscapes Fund
- Colorado Youth Corps Association Fund
- Habitat for Humanity of Colorado Fund
- Special Olympics of Colorado Fund

Organizations Removed from Checkoff Program

- Alzheimer's Association Fund
- Colorado Cancer Fund
- Colorado Healthy Rivers Fund
- Colorado Multiple Sclerosis Fund
- Make-A-Wish Foundation of Colorado Fund
- Unwanted Horse Fund

Changes to 2015 income tax filing

Achieving a Better Life Experience (ABLE) 529 Account

Distributions for disability expenses that qualify as exempt from federal income tax are also exempt from state income tax. The expenses are already taken out of the federal taxable income, which is the amount taxpayers enter when they start completing the Colorado return.

Amended returns

Send only the NEW supporting documents with the amended return and ALL the schedules. In the past, we asked for all supporting documents even if they were already submitted.
Business Personal Property Credit for Individual Business Owners

This credit is only available if business personal property tax was paid to a Colorado county in 2015 and the business had business personal property of $15,000 or less.

A copy of the assessor’s statement must accompany the return.

Colorado Earned Income Tax Credit (COEITC)

Persons with low to moderate income may be able to claim a federal earned income tax credit when they file their federal income tax return.

Full-year and part-year Colorado residents who claimed the EITC on their federal return are allowed the Colorado EITC. Nonresidents do not qualify for the Colorado EITC.

Consumer Use Tax

Every state that has a sales tax has a “companion” tax for purchases made outside the state through online, telephone or catalog ordering services. In Colorado, this tax is called “use tax.” To be compliant with tax laws, the purchaser of goods from outside Colorado must report and pay use tax when sales tax is not collected by the seller on a taxable item, such as clothing, electronics, appliances or other tangible property.

Emancipation Day

The federal individual income tax filing deadline for 2016 will be April 18.

In most years, the filing deadline is April 15. In some years, the District of Columbia’s observation of Emancipation Day can affect the nation’s filing deadline (District of Columbia holidays impact tax deadlines in the same way that federal holidays do). Because Emancipation Day falls on Saturday, April 16, in 2016 it will be observed on Friday, April 15, which pushes the tax filing deadline to the next business day – Monday, April 18, 2016.
Food contributed to hunger-relief charitable organizations

Contributions made on or after January 1, 2015 may be claimed as a credit on the Colorado income tax return. The maximum credit is 25% or $5,000, whichever is less. A copy of the form DR 0346 (Hunger-relief food contribution certification) must be submitted with any Colorado income tax return claiming this credit. If multiple donations are made within a taxable year, the credit shall be the sum of all amounts contained in Box A of the certification forms (DR 0346), subject to the limitation described above.

Taxpayers cannot claim this credit if they claim a Colorado Corporation income tax credit for crop or livestock contributions or if they claim the Individual income tax deduction for qualifying charitable contributions.

Gross Conservation Easement Credit Refundable for 2015

A phased approach to credits that may be claimed by taxpayers against their income tax liability for conservation easements in gross donated on or after January 1, 2015. An income tax credit may be claimed by a taxpayer who donates to a government entity or eligible charitable organization all or part of the value of a perpetual conservation easement in gross real property.

Job Growth Income Tax Credit Expanded

The Colorado job growth incentive tax credit was expanded to change the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, the expansion allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit.

Under current law, the credit is not refundable but may be carried forward for 10 years. HB15-1366 allows the credit to be refundable for any taxpayer who is a business with a qualified partnership, has been in business within the state for five or fewer years, and did not relocate from another state.

Refundable Renewable Energy Credit for Enterprise Zones

Qualified investments made in 2015 for renewable energy projects that generate enterprise zone credits can optionally be made refundable. Certified enterprise zone investments in an enterprise zone can receive a refund from the state equal to 80 percent of their tax credit rather than carry the credit forward.
**Rural Jump-Start**

A tax benefit for approved new businesses that locate inside a distressed county and establish a relationship with a state institution of higher education located in the distressed county. The business must be new to the state, hire at least eight new employees, and not directly compete with the core function of a business that is already operating in the state.

A qualified business within a rural Jump-Start zone and their employees will receive the following state tax benefits in addition in addition to county and municipality incentives:

- a refundable income tax credit equal to 100 percent of the income taxes imposed on the income derived from the new business activities in the tax-friendly zone; and
- a sales and use tax refund on the purchase of all tangible personal property acquired by the new business and used exclusively within the tax-friendly zone.

In addition, new employees of the new business are entitled to receive a 100 percent refundable income tax credit on their wages.

**TABOR Sales Tax Refund**

Due to Colorado’s current revenue surplus, under the Taxpayer’s Bill of Rights (TABOR) any excess funds must be distributed back to Colorado’s residents.

**Eligibility**

Anyone applying for this refund must be domiciled (made their home) in Colorado from January 1 through December 31, 2015 and must be age 18 or older as of January 1, 2015.

Full-year residents under the age of 18 qualify for the refund only if they are required to file a Colorado return because of a federal income tax filing requirement.
Estimated tax payments

Estimated tax payments for the next tax year can be made through Revenue Online. Go to www.Colorado.gov/RevenueOnline Sign Up or Log In to manage your account.

NOTE: Make sure records are kept of all estimated payments made. When an income tax return is filed the estimated payment amount must be accurate with the amount we have on file.

Filing an inaccurate amount on estimated payments could cause a delay in receiving a refund.

For income tax years starting on or after January 1, 2016 (not this filing season)

Active Duty Military Income Tax Exemption

A state income tax exemption for active duty military income earned by an individual in the United States armed forces who reacquired residency in Colorado.