

# Colo. Code Regs. 39-22-2102

Rule 39-22-2102 - Colorado Affordable Housing Tax Credit

## **(1) Allocating the Credit for Pass-Through Entities.**

**(a)** The owner of a qualified development project receiving an allocation of a Colorado affordable housing credit may allocate the credit among its partners, shareholders, members, or other qualified taxpayers in any manner agreed to by such persons. The owner must submit with the Colorado Partnership or S Corporation Return their Colorado State Affordable Housing Tax Credit Allocation Certificate ("Allocation Certificate") along with a schedule detailing how the credit is allocated ("Allocation Schedule"). In addition, the owner shall send to the Department of Revenue the following information:

- (i)** The name(s) and federal taxpayer identification number(s) of the owner,
- (ii)** The address of the property for which the credit is received,
- (iii)** The name and federal taxpayer identification number of the qualified taxpayers who receive an allocation of the credit,
- (iv)** The total amount of credit allocated to all qualified taxpayers,
- (v)** The amount of credit each qualified taxpayer received,
- (vi)** The tax year in which the credit was allocated to each qualified taxpayer and the amount allocated to such qualified taxpayer for each such year, and
- (vii)** The amount of credit claimable in each year.

**(b)** Each partner, shareholder, member or other qualified taxpayer must attach a copy of the Allocation Certificate and the Allocation Schedule to their Colorado income tax return. Once the partners, shareholders, members or other qualified taxpayers claim the credits on their respective income tax returns, the allocation cannot be amended for that tax year.

**(c)** If the qualified taxpayer is a pass-through entity, then, to the extent that the owner's records reflect such information, the owner shall identify by name and federal taxpayer number the qualified taxpayer(s) of such pass-through entity and their taxpayer identification number and beginning credit allowances.

**(2) Carryforwards.** Any amount of credit not applied to a qualified taxpayer's tax liability may be carried forward up to eleven years from the tax year in which the allocation was made. An allocation is made when the Authority issues the Allocation Certificate to the owner of a qualified development after a qualified development is placed in service. The credit must be applied first to the earliest years possible. Any amount of credit not used during this carryforward period shall not be refunded to the taxpayer.

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38 CR 22, November 25, 2015, effective 12/15/2015

42 CR 06, March 25, 2019, effective 4/14/2019

***Basis and Purpose.** The bases for this regulation are § 39-21-112(1) and § 39-22-2102, C.R.S. The purpose of this regulation is to provide clarification for pass-through entities making an allocation of the Colorado affordable housing credit, as well as to establish when the carryforward period begins for the credit.*

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