NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 13-1012

BY REPRESENTATIVE(S) Gerou and Levy, Duran, Fields, Fischer, Gardner, Ginal, Hamner, Hullinghorst, Kagan, Labuda, Lawrence, Lebsock, McLachlan, Mitsch Bush, Moreno, Pabon, Pettersen, Rankin, Salazar, Schafer, Stephens, Vigil, Williams, Young, Ferrandino;
also SENATOR(S) Roberts and Nicholson, Aguilar, Carroll, Heath, Hodge, Jones, Kefalas, Kerr, King, Lambert, Newell, Schwartz, Todd, Morse.

CONCERNING THE EXTENSION OF FINANCIAL INCENTIVES FOR WILDFIRE MITIGATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-22-104, **add** (4) (n.5) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - definitions - repeal. (4) There shall be subtracted from federal taxable income:

(n.5) (I) (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2025, AN AMOUNT EQUAL TO FIFTY PERCENT OF A LANDOWNER'S COSTS INCURRED IN PERFORMING WILDFIRE MITIGATION MEASURES IN THAT INCOME TAX YEAR ON HIS OR HER

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

PROPERTY LOCATED WITHIN THE STATE; EXCEPT THAT THE AMOUNT OF THE DEDUCTION CLAIMED IN AN INCOME TAX YEAR SHALL NOT EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS OR THE TOTAL AMOUNT OF THE LANDOWNER'S FEDERAL TAXABLE INCOME FOR THE INCOME TAX YEAR FOR WHICH THE DEDUCTION IS CLAIMED, WHICHEVER IS LESS.

(B) IN THE CASE OF TWO INDIVIDUALS FILING A JOINT RETURN, THE AMOUNT SUBTRACTED FROM FEDERAL TAXABLE INCOME SHALL NOT EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS IN ANY TAXABLE YEAR. IN THE CASE OF A MARRIED INDIVIDUAL WHO FILES A SEPARATE RETURN, ONLY ONE INDIVIDUAL IN THE MARRIAGE MAY CLAIM THE DEDUCTION SPECIFIED IN THIS PARAGRAPH (n.5).

(C) IN THE CASE OF REAL PROPERTY OWNED AS TENANTS IN COMMON, THE DEDUCTION ALLOWED PURSUANT TO THIS PARAGRAPH (n.5) SHALL ONLY BE ALLOWED TO ONE OF THE INDIVIDUALS OF THE OWNERSHIP GROUP.

(II) A LANDOWNER WHO PERFORMS WILDFIRE MITIGATION MEASURES ON HIS OR HER REAL PROPERTY LOCATED WITHIN THE STATE MAY CLAIM THE DEDUCTION AUTHORIZED BY THIS PARAGRAPH (n.5) IF THE WILDFIRE MITIGATION MEASURES ARE PERFORMED IN A WILDLAND-URBAN INTERFACE AREA.

(III) FOR PURPOSES OF THIS PARAGRAPH (n.5):

(A) "COLORADO STATE FOREST SERVICE" MEANS THE COLORADO STATE FOREST SERVICE IDENTIFIED IN SECTION 23-31-302, C.R.S.

(B) "COSTS" MEANS ANY ACTUAL OUT-OF-POCKET EXPENSE INCURRED AND PAID BY THE LANDOWNER, DOCUMENTED BY RECEIPT, FOR PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE ANY INSPECTION OR CERTIFICATION FEES, IN-KIND CONTRIBUTIONS, DONATIONS, INCENTIVES, OR COST SHARING ASSOCIATED WITH PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE EXPENSES PAID BY THE LANDOWNER FROM ANY GRANTS AWARDED TO THE LANDOWNER FOR PERFORMING WILDFIRE MITIGATION MEASURES.

(C) "LANDOWNER" MEANS ANY OWNER OF RECORD OF PRIVATE LAND LOCATED WITHIN THE STATE, INCLUDING ANY EASEMENT, RIGHT-OF-WAY, OR

ESTATE IN THE LAND, AND INCLUDES THE HEIRS, SUCCESSORS, AND ASSIGNS OF SUCH LAND, AND SHALL NOT INCLUDE ANY PARTNERSHIP, S CORPORATION, OR OTHER SIMILAR ENTITY THAT OWNS PRIVATE LAND AS AN ENTITY.

(D) "WILDFIRE MITIGATION MEASURES" MEANS THE CREATION OF A DEFENSIBLE SPACE AROUND STRUCTURES; THE ESTABLISHMENT OF FUEL BREAKS; THE THINNING OF WOODY VEGETATION FOR THE PRIMARY PURPOSE OF REDUCING RISK TO STRUCTURES FROM WILDLAND FIRE; OR THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE RULES.

(IV) THIS PARAGRAPH (n.5) IS REPEALED, EFFECTIVE JANUARY 1, 2026.

SECTION 2. In Colorado Revised Statutes, 37-95-112.5, **amend** (5) as follows:

37-95-112.5. Watershed protection and forest health projects - repeal. (5) This section is repealed, effective ~~July 1, 2013~~ JULY 1, 2023. Such repeal shall not nullify, abrogate, alter, or otherwise affect any extant obligations under this article at the time of the repeal.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Mark Ferrandino SPEAKER OF THE HOUSE OF REPRESENTATIVES	John P. Morse PRESIDENT OF THE SENATE
Marilyn Eddins CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES	Cindi L. Markwell SECRETARY OF THE SENATE

APPROVED_____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO