



## FYI Income 42 Contaminated Land Redevelopment Credit

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### GENERAL INFORMATION

For any tax year beginning on or after January 1, 2000, but prior to December 31, 2010, an income tax credit is available for taxpayers who redevelop contaminated land in Colorado. [§39-22-526, C.R.S.].

The property being redeveloped must be located within a municipality that has a population of 10,000 or more and the project must be approved by the Colorado Department of Public Health and Environment (CDPHE). A certificate from CDPHE verifying that the project qualifies for this credit and the implementation costs must be attached to any income tax return that claims this credit. To obtain the certificate, the property must go through the "Voluntary Clean Up Program." For more information, visit the CDPHE Web site at [www.cdphe.state.co.us](http://www.cdphe.state.co.us)

### Computing the credit

The credit will be the total of the following:

1. 50% of the first \$100,000 expended for the project,
2. 30% of the amount expended over \$100,000 up to \$200,000,
3. 20% of the amount expended over \$200,000 up to \$300,000

A tax credit is not allowed on expenses in excess of \$300,000.

### Limitations

To the extent the allowable credit exceeds the net tax liability, the excess may be carried forward for up to five years.

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FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a 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 the authority to bind the Department, has not formally reviewed and/or approved these FYIs.