



## Income 65 Wildfire Mitigation Measures Subtraction

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### GENERAL INFORMATION

Individuals, estates and trusts may subtract from their federal taxable income certain costs incurred while performing wildfire mitigation measures on their property.

### LIMITATIONS

- The taxpayer must own the property upon which the wildfire mitigation measures are performed.
- The property must be located in Colorado and within a wild land-urban interface area.
- For tax years 2009 through 2012 only, the wildfire mitigation measures must be authorized by a community wildfire protection plan adopted by a local government within the interface area.
- The total amount of the subtraction cannot exceed 50% of the landowner's out-of-pocket expenses, \$2,500 or the owner's federal taxable income, whichever is less.
- The deduction is available for tax years 2009 through 2024.

### Jointly Filed Returns

In the case of two individuals filing a joint return, the amount subtracted from federal taxable income shall not exceed \$2,500 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.

### Tenants in Common

In the case of real property owned by tenants in common, the subtraction can be taken only by one of the individuals in the ownership group.

### SUPPORTING DOCUMENTATION

The department may request documentation to support the claim. Correspondence from the department should specify what is required; however, the examples are as follows:

- Proof of property ownership,
- Receipts of costs incurred,
- Approved Wildfire Protection Plan (tax years 2009 through 2012 only). See [www.csfs.colostate.edu](http://www.csfs.colostate.edu)

### DEFINITIONS

#### Community Wildfire Protection Plan

Community wildfire protection plan must meet the following requirements:

- It must be approved by a local government entity, local fire department and the Colorado State Forest Service in accordance with guidance established by the Wildland Fire Leadership Council.
- It must identify and prioritize areas for hazardous fuel reduction treatments and recommend the types and methods of treatments.
- It must recommend measures to reduce structural ignitability.

Additional information regarding community wildfire protection plans can be found online at [www.csfs.colostate.edu](http://www.csfs.colostate.edu)

### Costs

Costs means any actual out-of-pocket expense incurred and paid by the landowner and documented by receipt for performing wildfire mitigation measures. The following expenses are specifically excluded within statute and do not qualify for this subtraction:

- Inspection or certification fees;
- In-kind contributions;
- Donations;
- Incentives;
- Cost sharing;
- Expenses paid by the landowner from any grants awarded to the landowner for performing wildfire mitigation measures.

**Landowner**

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 assignees of such land and shall not include any partnership, S-corporation or other similar entity that owns private land as an entity.

**Wildfire Mitigation Measures**

Wildfire mitigation measures mean the following activities to the extent that they meet or exceed any Colorado State Forest Service standards or any other applicable state rules:

- Creating and maintaining a defensible space around structures;
- Establishing fuel breaks;
- Thinning of woody vegetation for the primary purpose of reducing risk to structures from wildland fire;
- Secondary treatment of woody fuels by lopping and scattering, piling, chipping, removing from the site or prescribed burning.

Additional information regarding wildfire mitigation measures can be found online at [www.csfs.colostate.edu](http://www.csfs.colostate.edu)

**COMMON QUESTIONS**

*Does the community wildfire protection plan (CWPP) have to be approved before the fire mitigation activities take place? (For example: landowner performed work in the summer of 2011, but the CWPP was not approved until Dec. 2011.)*

Yes, the CWPP must be approved before the mitigation measures are performed. The mitigation measures must be performed in a wild urban interface area and authorized by an existing CWPP. [§39-22-104(4)(n)(II), C.R.S.] If the measures were performed on the land before it was designated and the CWPP approved, then the expenses would not qualify for the subtraction.

*Can a person who leases real property claim the credit if the lessee performs wildfire mitigation measures?*

No. The credit is limited to the owner of the property. However, if the owner/lessor reimburses the lessee for the cost of the mitigation effort, then the owner/lessor can claim the credit.

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