



COLORADO
Department of Revenue

Taxation Division

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Colorado Department of Revenue
Statement of Emergency Justification and Adoption
Emergency Amendment to Regulations 39-22-109, 39-22-303.6-1 through -18, 39-22-303.7-1 and -2, 39-22-303.10, 39-22-303(11)(c), 39-22-305

Pursuant to sections 24-4-103(6), 39-21-112, 39-22-109, 39-22-303.6, 39-22-303.7, 39-22-303, and 39-22-305, C.R.S., I, Michael S. Hartman, Executive Director of the Department of Revenue, hereby adopt emergency amendments to tax Regulations 39-22-109, 39-22-303.6-1 through -18, 39-22-303.7-1 and -2, 39-22-303.10, 39-22-303(11)(c), and 39-22-305.

Section 24-4-103(6), C.R.S., authorizes the Executive Director to adopt temporary or emergency regulations if the Executive Director finds that the immediate adoption of the regulations are imperatively necessary to comply with a state or federal law or for the preservation of public health, safety, or welfare, and that compliance with the requirements of section 24-4-103, C.R.S. regarding promulgation of permanent rules would be contrary to the public interest.

I find that the immediate adoption of amendments to these regulations is imperatively necessary to provide guidance to corporations in light of recent legislation passed by the Colorado General Assembly in House Bill 18-1185, which implements revised corporate apportionment methods for income tax years commencing on and after January 1, 2019. House Bill 18-1185 specifically directs the Department to promulgate regulations regarding these revised apportionment methods. Permanent rulemaking proceedings are underway, but the statute will be effective prior to permanent adoption of the regulations. Thus, emergency regulations are necessary to provide guidance to corporations that conduct business inside and outside Colorado. As a result, I find that compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest under these circumstances.

Statutory Authority

The statutory authorities for these amendments are cited above.

Purpose

To provide explicit guidance regarding the application of Colorado's apportionment and allocation methods in light of House Bill 18-1185.

Adoption

For the reasons set forth above, I hereby adopt emergency regulations 39-22-109, 39-22-303.6-1 through -18, 39-22-303.7-1 and -2, 39-22-303.10, 39-22-303(11)(c), and 39-22-305, which are attached to this Statement. These regulations shall be effective on the date of its adoption and shall apply prospectively. This emergency rule shall be in force and effect for a period of one hundred and twenty days from the date of this notice, unless sooner terminated or replaced by permanent rules adopted in accordance with section 24-4-103, C.R.S.

Adopted this 18th day of December, 2018.



Michael S. Hartman
Executive Director
Colorado Department of Revenue