

DEPARTMENT OF REVENUE

Taxation Division

ENTERPRISE ZONE REGULATIONS

1 CCR 201-13

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~~Regulation 39-30-105.6. [Repealed eff. 05/15/2019]~~

**Rule 39-30-105.6. Credit for Rehabilitation of Vacant Buildings.**

**Basis and Purpose.** The statutory bases for this rule are sections are 39-21-112(1), 39-30-103(7)(a), 39-30-105.6, and 39-30-108(1), C.R.S. The purpose of the rule is to clarify requirements for the credit related to vacancy, commercial use, and pre-certification.

- (1) **Building Vacancy.** For the purpose of section 39-30-105.6(1), C.R.S., a building is not considered to be unoccupied at any time during which the building is actively utilized in the operation of a trade or business including, but not limited to, any storage within the building of inventory, equipment, or other property for an operating business. However, the mere presence of tangible personal property in an otherwise unoccupied building does not disqualify the building for the credit.
- (2) **Rehabilitation for Commercial Use.** For the purpose of section 39-30-105.6(4), C.R.S., a building is rehabilitated for commercial use only if:
  - (a) the taxpayer's primary use of the building is for commercial purposes; and
  - (b) the taxpayer does not use any part of the building as their residence, either full-time or part-time.
- (3) **Pre-certification.**
  - (a) No credit is allowed pursuant to section 39-30-105.6, C.R.S., with respect to any expenditure either paid or incurred prior to the taxpayer's submission of a pre-certification form to the enterprise zone administrator pursuant to section 39-30-103(7)(a), C.R.S.
  - (b) If expenditures are made in multiple tax years for the rehabilitation of the same building, the taxpayer must submit a separate pre-certification form for each year, prior to making any expenditures for that year.