

HB22-1149 Advanced Industry Investment Tax Credit

Monday, February 28, 2022

House Finance 1:30 pm | HCR 0112

Written Testimony: Support

Thank you, Madam Chair and members of the committee. My name is Adam Burg, and I'm the vice president of government affairs at the Denver Metro Chamber of Commerce and the interim executive director of Colorado Competitive Council (C3).

I am here today on behalf of the Chamber and C3 to express our support of House Bill 1149. House Bill 1149 encourages investments in Colorado's advanced industry sector by extending an existing state income tax credit for an additional five years, increasing the annual maximum amount of tax credit for \$750,000 to \$4 million and broadening the tax credit for 30% to 35% of a qualified investment in a rural or economically distressed areas.

We have heard from stakeholders that the existing tax credit amount of \$750,000 is often claimed before they have the opportunity to apply. We support renewing and expanding this tax credit because we recognize that advanced industries are a critical sector of our economy. In 2020, Colorado's aerospace industry employed over 33,000 Coloradans, bioscience employed over 17,000, energy & natural resources employed over 87,000, and IT employed over 79,000. These are high paying jobs with an average annual wage of over \$100,000. Growth in these sectors has a positive ripple effect throughout our economy and it helps Colorado attract and retain talent to continue growing.

21 other states offer investment credits to investors for making investments in advanced industries or similar businesses. Notably, Colorado's program does not exclude owners and their families from credit eligibility and does not set a minimum holding period on qualified investments.

This program has been successfully in place since 2009 and ensures Colorado companies are able to attract early-stage capital and helps Colorado remain competitive nationally. We urge the members of this committee to vote yes on this bill.