

Income/Franchise:

Colorado DOR Updates Guidance on State Impact and Treatment of Some Federal Law Changes

CARES Act Tax Law Changes & Colorado Impact, Colo. Dept. of Rev. (rev. 8/21). The Colorado Department of Revenue released an updated publication addressing how some federal tax provisions under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (*i.e.*, P.L. 116-136) and Consolidated Appropriations Act (CAA), 2021 (*i.e.*, P.L. 116-260) interact with Colorado corporate and individual income taxation in light of Colorado tax law changes enacted in 2020 and 2021 – specifically those state law changes prescribing certain Colorado modifications to federal taxable income in relation to the CARES Act. Covered topics include Internal Revenue Code sections 172, 163(j), 461(l) and 168(e) involving provisions for net operating loss (NOL) deductions, business interest expense limitations, excess loss limitations for taxpayers other than corporations, and cost recovery for qualified improvement property (QIP), respectively. The guidance also includes some illustrative examples to aid in return preparation. Please contact us with any questions.

URL: https://tax.colorado.gov/sites/tax/files/documents/CARES_Act_Aug_2021.pdf

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