

Income/Franchise:

Colorado: New Law Addresses How and When Some Partnerships Must Report Federal Tax Adjustments

H.B. 1277, signed by gov. 6/2/23. Generally applicable to federal adjustments with a final determination date on or after January 1, 2024, new law addresses how and when some partnerships must report federal tax adjustments to the Colorado Department of Revenue in response to changes in the federal partnership audit and adjustment process under the federal 2015 Bipartisan Budget Act, many provisions of which are patterned after the Multistate Tax Commission's "Model Statute for Reporting Adjustments to Federal Taxable Income and Federal Partnership Audit Adjustments." According to the legislation's fiscal notes, compared with current state law, the new law "allows more time to report adjustments to federal taxable income and allows pass-through entities to handle these adjustments on behalf of their owners." The legislation also moves the state income tax return deadline for C corporations generally from April 15 to May 15 (*i.e.*, one month after the federal due date), and moves the extension deadline generally from October 15 to November 15 (*i.e.*, one month after the federal due date), applicable for tax years beginning on or after January 1, 2024. Please contact us with any questions.

URL: <https://leg.colorado.gov/bills/hb23-1277>

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