



FYI Income 56

Plastic Recycling Investment Tax Credit

GENERAL INFORMATION

The plastic recycling investment tax credit is equal to 20% of the first \$10,000 of net expenditures to third parties for rent, wages, supplies, consumable tools, equipment, test inventory and utilities made for new plastic recycling technology in Colorado. The credit is available to Colorado resident individuals only. [§39-22-114.5, C.R.S.]

The maximum credit that can be claimed on Colorado Form 104 in any tax year is limited to the net tax liability. Any credit in excess of this amount may be carried forward for up to five years.

The credit is not available to C corporations, S corporations, partnerships or other pass through entities. [§39-22-309, C.R.S.]

CLAIMING THE CREDIT

The credit is claimed on Colorado Form 104CR. Taxpayers claiming the plastic recycling investment tax credit must attach copies of receipts, bills or other documentation of qualified expenses to the tax return when filed. If the return is filed electronically, the required documentation may be scanned and uploaded to Revenue Online using the E-Filer Attachment function, or if unable to do so, mailed separately with form DR 1778.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.