



Save Money on Taxes and Protect Colorado: Conservation, Historic, and Brownfield Income Tax Credits

You can save thousands of dollars on your state income tax bill by participating in the state of Colorado's unique income tax credit programs and help preserve Colorado's natural treasures. Landowners who permanently preserve their land, restore a historic building or clean up a contaminated brownfield can generate state income tax credits that can then be sold at a discount to taxpayers. This is relevant for you if you have a state income tax liability of at least \$10,000 in a given year.

Colorado income tax credits can be purchased at a discount, often at a savings of 6-11% depending on how early you purchase the tax credits and what level of credits you choose. For example, if you have a \$100,000 state income tax liability, you can purchase \$100,000 worth of tax credits for between \$89,000-94,000, thereby saving \$6,000-11,000. You buy the credits directly from the person who created the credit so you are helping to promote the preservation of open space, historic buildings, and clean air and water.

A tax credit broker will match you up with a seller and will review all of the necessary documentation to support the creation of the tax credit. The tax credit broker also prepares the transfer documents between you and the seller of the credit and the forms you will need to file with your state income tax return. Part of the service a broker provides is to follow up with the sellers to verify that they filed their taxes correctly and reported the credit sale to the state validating each buyer's credits.

Next time you are admiring the mountain views across a grassy meadow, spending the weekend in a historic bed and breakfast or dining at a restaurant that used to be an old factory, you will know that one of these tax credit programs made it all possible.

For more information, please contact:

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This information is not intended to be legal or financial advice. Please consult your own advisor.

Examples:

Mr. and Mrs. Seller donated a conservation easement in 2018 worth \$200,000 and want to sell their tax credits. Mr. and Mrs. Buyer have a large Colorado state tax bill worth \$100,000 and want to purchase the tax credits in July 2018 under the Gold plan.

Tax Credits	\$100,000
Purchase Rate	91%
Sale Price	\$91,000
Buyer Savings	\$11,000

If Mr. and Mrs. Buyer purchase tax credits in February 2018 under the Platinum plan, the rate would increase to 94%, still saving the buyers \$6,000.

Tax Credits	\$100,000
Purchase Rate	94%
Sale Price	\$94,000
Buyer Savings	\$6,000