



**Mark Kozik**

Of Counsel  
303.295.8191  
Denver  
makozik@hollandhart.com

# Tracking Changes in the Computation of Colorado Corporate Taxable Income

## Insight — Summer 2021

*This article is reprinted with the publisher's permission, and originally appeared in the Summer 2021 edition of JOURNAL OF STATE TAXATION, a quarterly journal published by CCH Incorporated. Copying or distribution without the publisher's permission is prohibited.*

Co-authors Mark Kozik and Bruce M. Nelson provide a discussion of recent changes in the calculation of Colorado corporate taxable income.

---

## Outline

1. Prior to enactment of the Tax Cuts and Jobs Act (TCJA), signed into law December 22, 2017;
2. After enactment of the TCJA;
3. After enactment of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law March 27, 2020;
4. After enactment of Colorado H.B. 20-1024, Concerning Modifications to the State's Net Operating Loss Deduction (no short title), signed into law June 26, 2020 and Colorado H.B. 20-1420 (Tax Fairness Act), signed into law July 11, 2020; and
5. After enactment of Colorado H.B. 21-1002, Concerning Reductions to Certain Taxpayers' State Income Tax Liability Related to State Tax Law Changes Made in 2020, and, in Connection therewith, Making an Appropriation (no short title), signed into law January 21, 2021.

States generally employ one of the two following methods in calculating corporate taxable income:

1. Moving (or rolling) conformity—the determination of state-level taxable income begins with federal taxable income as calculated for the current year under the current applicable provisions of the Internal Revenue Code.
2. Static conformity—the determination of state-level taxable income begins with federal taxable income as it would have been calculated under the Internal Revenue Code as of a specified date.

Please click [here](#) to read the full article: Tracking Changes in the

Computation of Colorado Corporate Taxable Income.

Mark Kozik is of counsel in Holland & Hart's tax practice group in Denver, Colorado. He advises clients on state and local tax matters, including income, franchise, sales, and use tax issues.

Bruce M. Nelson is a CPA with more than 35 years' experience in state and local tax and is the Editor-in-Chief of the Journal of State Taxation.

---

*This publication is designed to provide general information on pertinent legal topics. The statements made are provided for educational purposes only. They do not constitute legal or financial advice nor do they necessarily reflect the views of Holland & Hart LLP or any of its attorneys other than the author. This publication is not intended to create an attorney-client relationship between you and Holland & Hart LLP. Substantive changes in the law subsequent to the date of this publication might affect the analysis or commentary. Similarly, the analysis may differ depending on the jurisdiction or circumstances. If you have specific questions as to the application of the law to your activities, you should seek the advice of your legal counsel.*