

FYI – For Your Information

Addition To Income For Non-Colorado State and Local Bond Interest

GENERAL INFORMATION

State and local municipal bond interest is exempt from federal tax and therefore is not included in federal taxable income reported on line 1 of the Colorado income tax return. However, this income is taxable in Colorado if it is from sources outside of Colorado or from certain older Colorado municipal bonds. This interest must be added to taxable income on the Colorado return in the “Additions to Federal Taxable Income” section of Form 104. [39-22-104(3)(b) C.R.S.]

The net amount of state and municipal bond interest to be added to taxable income is the gross amount of the interest reduced by any bond premium amortization applicable to that income and any expenses required to be allocated to that income by the Internal Revenue Code.

EXEMPT COLORADO BONDS

Interest from bonds issued by the state of Colorado or any of its political subdivisions on or after May 1, 1980 is exempt from Colorado tax. This income is not taxable in Colorado and not added back to income. The following types of obligations have been determined to be exempt from Colorado income tax:

1. 2-3-311 C.R.S. Bonds issued by a joint governmental agency of Colorado.
2. 11-56-113 C.R.S. Bonds issued under the Public Securities Refunding Act.
3. 22-42-114 C.R.S. Colorado school district bonds issued on or after July 1, 1973.
4. 22-43-104 C.R.S. Colorado school district refunding bonds issued on or after July 1, 1973.
5. 23-3.1-214 C.R.S. Bonds, notes and other obligations issued under authority of the Colorado student loan program.
6. 23-5-105 C.R.S. Any bonds, certificates or warrants issued by the governing board of any state educational institution for the purpose of obtaining funds for constructing, otherwise acquiring, and equipping housing facilities, dining facilities, recreational facilities, health facilities, and parking facilities for the use of students and employees of such institution.
7. 23-15-110.5 C.R.S. Bonds or other obligations issued under the Colorado Education Savings Program
8. 23-15-118 C.R.S. Bonds, notes and other obligations issued under the authority of the Colorado Postsecondary Educational Facilities Authority.



Colorado Department of Revenue
Taxpayer Service Division
1375 Sherman St.
Denver, Colorado 80261

Forms and other services:
(303) 238-FAST (3278)
Assistance:
(303) 238-SERV (7378)

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9. 23-20-122(13) C.R.S. Colorado University Student Memorial Center obligations.
10. 23-20-128 C.R.S. Anticipation warrants issued by the University of Colorado to be repaid exclusively from the user revenue accruing to the University of Colorado research revolving fund.
11. 23-20-129(5) C.R.S. Bonds issued by the University of Colorado for the purpose of obtaining funds for the planning, construction or other acquisition, and equipping of research buildings and facilities, wherever located in the state of Colorado, for the University of Colorado.
12. 23-21-514 C.R.S. Bonds and other obligations issued by the University of Colorado Hospital Authority.
13. 23-31-127 C.R.S. Obligations issued by Colorado State University for financing the acquisition of facilities or equipment or both, for the Colorado State University auditorium-gymnasium.
14. 23-31-133 C.R.S. Anticipation warrants to be repaid exclusively from the user revenues accruing to the Colorado State University research building revolving fund.
15. 23-31-134 C.R.S. Bonds issued by the Board of Governors of the Colorado State University System.
16. 23-31-135 C.R.S. Obligations issued to raise money for the construction and acquisition of facilities or equipment, or both, for the Colorado State University Veterinary Medicine Hospital.
17. 23-41-121 C.R.S. Anticipation warrants to be repaid exclusively from the user revenues accruing to the Colorado School of Mines research building revolving fund.
18. 23-70-110 C.R.S. Bonds, certificates, or warrants issued for the purpose of raising funds for constructing, otherwise acquiring, and equipping dining facilities recreational facilities, health facilities, parking facilities, and student center facilities for the use of students and employees at the Auraria Higher Education Center.
19. 23-71-514 C.R.S. Junior College district bonds issued on or after July 1, 1973.
20. 23-71-604 C.R.S. Junior College district refunding bonds issued on or after July 1, 1973.
21. 23-71-710 C.R.S. Bonds and other securities issued under the authority of the Junior College Revenue Securities Law.
22. 24-37.7-108 C.R.S. Bonds, notes or other obligations issued by the Statewide Internet Portal Authority.
23. 24-90-518 C.R.S. Bonds or other obligations issued by a Colorado Library District.
24. 25-25-118 C.R.S. Bonds, notes or other obligations issued by the Colorado Health Facilities Authority.
25. 29-1-204 C.R.S. Bonds, notes and other obligations issued by a power authority.
26. 29-1-204.2 C.R.S. Bonds, notes and other obligations issued by a water or drainage authority.
27. 29-1-204.5 C.R.S. Bonds issued by a multi-jurisdictional housing authority.
28. 29-2-112(8) C.R.S. County, city or incorporated town capital improvement financing bonds to be repaid by sales and/or use tax revenue.
29. 29-3-106 C.R.S. Bonds issued on or after July 1, 1979 under the County and Municipality Development Revenue Bond Act.

30. 29-4-122 C.R.S. Bonds issued under authority of the City Housing Law.
31. 29-4-227 C.R.S. Bonds issued under the authority of the Housing Authorities Law.
32. 29-4-727 C.R.S. Bonds issued under the authority of the Colorado Housing Finance Authority Act.
33. 29-23-114 C.R.S. Bonds or other obligations issued by the Pueblo Depot Activity Development Authority.
34. 30-11-307 C.R.S. Bonds issued by a county authority related to landfill gas.
35. 30-20-406 C.R.S. Water and sewer revenue bonds.
36. 30-20-533 C.R.S. Bonds issued by an improvement district under the authority of the County Public Improvement Act.
37. 30-20-903 C.R.S. Bonds issued by a county authority related to solid waste-to-energy incineration systems.
38. 30-26-508 C.R.S. Revenue bonds issued under authority of the County Capital Improvement Trust Fund Financing Act.
39. 31-15-716 C.R.S. Bonds issued by a municipal authority related landfill gas.
40. 31-15-1003 C.R.S. Bonds issued by a municipal authority related to solid waste-to-energy incinerating systems.
41. 31-25-109 (7) C.R.S. Bonds issued by a Colorado Urban Renewal Authority.
42. 31-25-632 C.R.S. Bonds issued by public improvement districts.
43. 31-25-812 C.R.S. Revenue bonds issued by a Downtown Development Authority.
44. 31-25-908(3) C.R.S. Revenue bonds issued by a municipal energy finance authority.
45. 31-35-406 C.R.S. Water and sewer revenue bonds.
46. 32-1-1101(1)(d) C.R.S. Special district revenue bonds.
47. 32-1-1103(3)(h) C.R.S. Health Service district revenue bonds.
48. 32-1-1105 C.R.S. Bonds and other securities issued by a Tunnel District.
49. 32-4-542(3) C.R.S. Securities issued by Metropolitan Sewage Disposal Districts.
50. 32-5-226 C.R.S. Hospital district bond and securities.
51. 33-60-110 C.R.S. Bonds issued by the State Board of the Great Outdoors Colorado Trust Fund.
52. 35-75-117 C.R.S. Bonds, notes or other obligations issued under authority of the Colorado Agricultural Development Authority Act.
53. 37-5-106 C.R.S. Bonds issued by a Conservancy District.
54. 37-45-138 C.R.S. Bonds issued by a Water Conservancy District.
55. 37-90-134 C.R.S. Bonds issued by the board of directors of a ground water management district.
56. 37-95-115 C.R.S. Bonds issued by the Colorado Water Resources and Power Development Authority.
57. 39-22-111(2) C.R.S. Obligations of the State of Colorado or a political subdivision thereof, issued on or after May 1, 1980.
58. 41-3-107 C.R.S. Bonds, notes, and other obligations issued by an authority created under the Public Airport Authority Act.
59. 41-5-105 C.R.S. County Airport Revenue Bonds.
60. 43-4-509 C.R.S. Bonds issued by an authority created under the Public Highway Authority Law.
61. 43-4-618 C.R.S. Bonds issued by an authority created under the Rural Transportation Authority Law.

FURTHER INFORMATION

FYIs, commonly used forms and additional tax information are available on the Web at *www.taxcolorado.com*

For additional income tax information visit the "Tax Information Index" at *www.taxcolorado.com*

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 authority to bind the Department, has not formally reviewed and/or approved these FYIs.