

[News \(/news/\)](/news/)[Contact \(/about/contact/\)](/about/contact/)[Staff Directory \(/staff/\)](/staff/)[COVID-19 Support \(/covid19/\)](/covid19/)[Select Language](#)**COLORADO****Office of Economic Development & International Trade**<sup>(/)</sup>[Home \(/\)](/) [Programs and Funding \(/programs-and-funding/\)](/programs-and-funding/)[Tax Credits \(/programs-and-funding?Programs%5B0%5D=i am looking for %3ATax%20Credits\)](/programs-and-funding?Programs%5B0%5D=i+am+looking+for+%3ATax%20Credits)[Job Growth Incentive Tax Credit](#)

# Job Growth Incentive Tax Credit

## Tax Credit Summary

The Job Growth Incentive Tax Credit is an eight-year job creation incentive to support competitive, multi-state, or country relocation and expansion projects. The tax credit gives businesses a Colorado state income tax credit equal to 50% of the FICA (Federal Insurance Contributions Act) tax paid by the business per net new job for each calendar year in the credit period.

The tax credit is performance-based. If a company underperforms in job creation or wages, the company will not receive the total credit amount.

If the issued tax credits exceed the business's income tax liability for the tax year in which the credit is being claimed, the unused tax credit does not become a tax refund. A business may carry forward the unused tax credit and apply it in each of the 10 succeeding income tax years. The tax credit needs to be applied to the earliest tax return possible. New jobs created in each year of the program earn credits for the company, but those new jobs must be maintained for one year before credits are vested.

Your business may not start or announce the proposed project in Colorado until your business submits a final application to Global Business Development and the [Colorado Economic Development Commission \(/about/colorado-economic-development-commission\)](#) approves the application. You must wait to complete any of these activities including but not limited to:

- Locating or expanding in the state
- Signing a lease
- Hiring employees related to this project
- Making material expenditures for this project

## Overview

**Type:** Tax credit

**For:** Businesses considering interstate competitive expansion or relocation projects in Colorado

**Amount:** Up to 50% of FICA per net new job, subject to statutory considerations

**Application deadline:** Rolling

**OEDIT division:** [Global Business Development \(/global-business-development\)](#)

## Business Eligibility and Project Eligibility

### Business eligibility

Companies need to:

- Create at least 20 net new jobs in Colorado during the credit period (or at least 5 net new jobs if the project is in an Enhanced Rural Enterprise Zone).
- Pay the net new employees an average annual wage of at least 100% of the average annual wage in the country where the project will be located.
- Maintain the net new jobs for at least one year.
- Consider at least one other state or international market for the project.
- Demonstrate that Colorado's Job Growth Incentive Tax Credit is a major factor in the decision to locate in Colorado.

### Project eligibility

The project needs to:

- Be reasonably and efficiently able to locate outside of Colorado.
- Have a reduced chance of locating in Colorado without this incentive.
- Be actively considered in multiple states and/or countries, meaning Global Business Development staff may request additional qualitative and quantitative information that supports the

competitiveness of the project.



The minimum average annual wage is set when the project is approved and does not change for the term of the incentive and the credit period.

[Average Annual Wage by County \(/sites/coedit/files/2021-](#)

[07/2021\\_jgitc\\_sf\\_county\\_average\\_annual\\_wage\\_reference\\_-\\_clarification.xlsx\)](#)

Businesses already receiving a [Strategic Fund Incentive for Job Growth \(/strategic-fund-job-growth-incentive\)](#) may not receive a Job Growth Incentive Tax Credit for the same net new jobs. However, businesses may receive the Job Growth Incentive Tax Credit and the Location Neutral Employment Incentive (see below), a special type of incentive, for the same permanent net new jobs if the jobs are for remote workers in Colorado's rural counties.

## How to Apply

First, contact our Global Business Development (GBD) staff. GBD staff will assess each company's eligibility before inviting a company to apply for the program.

The application process is below.

1. **Prove eligibility:** Contact your designated Global Business Development Manager to schedule a discussion or meeting and first and to prove eligibility. Even if a project receives preliminary approval through this discussion or meeting, a project is not guaranteed to proceed to the Colorado Economic Development Commission. GBD staff may halt the application process at any point.
2. **Submit initial documents:** If eligible, your company will submit these documents to GBD at least 41 days before your meeting with the Colorado Economic Development Commission:
  - o Colorado employment plan
  - o Cost differential analysis
  - o Three years of historical company financials
3. **Submit application:** GBD staff will give your company access to the application in the [OEDIT application portal \(https://oedit.my.site.com\)](https://oedit.my.site.com). This application is due about 20 days before your meeting with the Colorado Economic Development Commission. GBD will notify your company of Colorado's incentive offer about 14 days before your meeting with the Colorado Economic Development Commission.
4. **Full application review and approval:** GBD will present the Colorado Incentive Application to the Colorado Economic Development Commission for final approval. If approved, the company has 18 months to start its job creation project.

## Selection Process

Job Growth Incentive Tax Credit applications are approved by the [Colorado Economic Development Commission \(/about/colorado-economic-development-commission\)](#) (EDC). Global Business Development staff reviews each application and advances it to the EDC with these statutory criteria:

- Economic health of the state.
- Economic viability of the proposed new jobs. To evaluate this, GBD performs a high-level financial review of each applicant company to assess if the company has the ability to create and maintain the proposed new jobs.
- Economic benefits to the state of the new jobs. To evaluate this, GBD requires the company to submit an eight-year Colorado Employment Plan that forecasts the number, titles, hire dates, and annual wages of the positions the company will create.
- Maximum amount of the credit needed to attract the new jobs to Colorado.

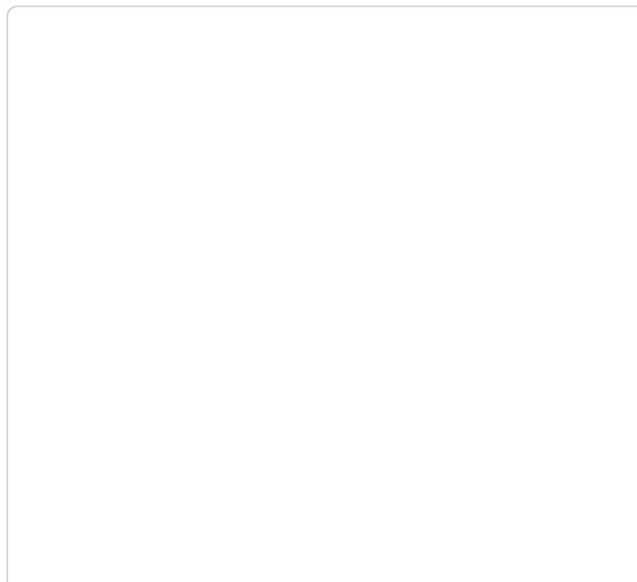
Not all projects are approved, even though an application may meet all of the program's guidelines.

## Conditions of Funding

After the [Colorado Economic Development Commission \(/about/colorado-economic-development-commission\)](#), approves your application and you decide to move forward with your project:

- Global Business Development staff will connect you with [Business Funding and Incentives \(/business-funding-and-incentives\)](#) (BF&I) staff for contracting and reporting.
- Your company has 18 months to execute the conditional agreement and start the project.
- Your company will report employment activities annually to BF&I. Using these reports, BF&I staff will calculate a tax credit amount each year for eight years.
- ⚠ Per statute, each year during the incentive period, the state will only distribute the tax credit if the company has at least 20 net new employees in the state above the baseline number of existing employees in the State. If the company does not have any employees in the State, the baseline is zero. In this example, the company would need to make 20 employee hires in the state to receive a tax credit. The baseline is set at the time of receiving approval from the Colorado EDC.

# Program Manager





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## Connect Further

### Related Programs

[Strategic Fund Job Growth Incentive \(/strategic-fund-job-growth-incentive\)](#)

[Skill Advance Colorado Job Training Grant \(/skill-advance-colorado-job-training-grant\)](#)

[Rural Jump-Start Tax Credit \(/rural-jump-start-tax-credit\)](#)

[Register for the HB22-1418 Public Comment Zoom Meeting \(https://oedit.colorado.gov/register-for-the-hb22-1418-public-comment-zoom-meeting\)](https://oedit.colorado.gov/register-for-the-hb22-1418-public-comment-zoom-meeting)

### Sign up for email updates

Sign up for email updates from the Global Business Development division.

By clicking submit below, you consent to allow OEDIT to store and process the personal information submitted above.

Submit

[View All Programs \(/programs-and-funding\)](/programs-and-funding)

## OEDIT

Colorado Office of Economic Development and International Trade (OEDIT)

A Colorado Governor's Office (<https://www.colorado.gov/governor/>). state agency

🏠 [1600 Broadway, Ste. 2500, Denver, CO 80202](#)  
☎ [303.892.3840 \(tel:303.892.3840\)](tel:303.892.3840)  
✉ [oedit.info@state.co.us \(mailto:oedit.info@state.co.us\)](mailto:oedit.info@state.co.us)

Staff meets by appointment only.

[Contact Us \(/website-feedback\)](#)

## Areas of Support

[Business Funding and Incentives \(/business-funding-and-incentives\)](#)

[Cannabis Business Office \(/cannabis-business-office\)](#)

[Colorado Creative Industries \(/colorado-creative-industries\)](#)

[Colorado Employee Ownership Office \(/colorado-employee-ownership-office\)](#)

[Colorado Office of Film, Television and Media \(/colorado-office-film-television-media\)](#)

[Colorado Outdoor Recreation Industry Office \(/colorado-outdoor-recreation-industry-office\)](#)

[Colorado Small Business Development Center Network \(/colorado-small-business-development-center-network\)](#)

[Colorado Tourism Office \(/colorado-tourism-office\)](#)

[Global Business Development \(/global-business-development\)](#)

[Minority Business Office \(/minority-business-office-of-colorado\)](#)

[Rural Opportunity Office \(/rural-opportunity-office\)](#)

## Sign up for OEDIT's newsletter

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**Submit**

Contact Information (<https://cogov.tfaforms.net/forms/help/126>)

## Quick Links

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[Industries \(https://oedit.colorado.gov/industries\)](https://oedit.colorado.gov/industries)

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[Resources and Partners \(https://oedit.colorado.gov/resources-and-partners\)](https://oedit.colorado.gov/resources-and-partners)

[State of Colorado Accessibility Statement \(https://oedit.colorado.gov/about/state-of-colorado-accessibility-statement\)](https://oedit.colorado.gov/about/state-of-colorado-accessibility-statement)

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