Colorado's Lucrative ESOP Incentive

UP TO $150,000 FOR NEW PLANS

The Colorado Employee Ownership Tax Credit delivers a financial benefit that goes above and beyond standard ESOP tax breaks.

MEANINGFUL TAX CREDIT

Subsidizes up to 50% of conversion costs ($150K max)

Covers accounting, valuation, legal & transaction expenses

BROAD ELIGIBILITY

Headquartered and operated in Colorado for more than 1 year

Must be in good standing with Secretary of State

FLEXIBLE CONDITIONS

Equity transfers of at least 20% qualify for the incentive

Credits can be secured up to 18 months in advance of use

To utilize the credits, companies must complete their ESOP conversions by January 1, 2027.

- Credits must be reserved, in advance, with Colorado's Office of Economic Development (OEDIT)
- Expense validation by an independent CPA is required
- All relevant documentation must be submitted to OEDIT

RESERVE YOUR CREDITS TODAY

1) Register	Visit **https://oedit.secure.force.com/oedit/** Create a business account with Colorado's OEDIT
2) Pre-Authorize	Answer 10 brief questions to confirm basic eligibility Receive immediate eligibility confirmation
3) Apply	Answer questions about your potential ESOP transaction Receive credit confirmation within 90 days

The CEOTC is significant, but it's important to fully understand ESOPs before forming your own plan.

Read ahead to learn more.

CSG PARTNERS

HOW DOES A LEVERAGED ESOP WORK?

Think of it as a tax-advantaged, leveraged buyout of one's own company.

- Shareholders sell equity to an employee trust at a fair market valuation
- Third-party and/or seller debt finances the transaction – employees do not pay out-of-pocket
- Eligible employees receive annual share allocations over a multi-year period
- When employees depart, their vested stock is sold back to the company at a current valuation

WHY CONSIDER AN ESOP?

Unlock Shareholder Net Worth

Sustain and Grow Business Legacies

Offer Employees a Meaningful Benefit

Enhance Cash Flow and Productivity

EMPLOYEE OWNERSHIP IN COLORADO

Thanks to a formal commitment by state government and a strong community of advocates and ESOP-owned companies, Colorado has emerged as an employee ownership leader.

100+ ESOP Companies	**20,000+** Employee Owners	**$3.4 Billion** Total Plan Assets

CONSIDERING AN ESOP? WE CAN HELP.

Our award-winning team advises closely-held companies, across all industries, to help analyze, structure, finance, and close leveraged ESOP transactions.

CSG PARTNERS

Recognized as the nation's premier ESOP investment bank, CSG has completed hundreds of transactions for companies nationwide.

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