

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 17-0167.01 Ed DeCecco x4216

HOUSE BILL 17-1002

HOUSE SPONSORSHIP

Pettersen and Exum,

SENATE SPONSORSHIP

Kefalas and Martinez Humenik,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

SENATE
Amended 3rd Reading
May 10, 2017

A BILL FOR AN ACT

101 **CONCERNING THE EXTENSION OF THE INCOME TAX CREDIT FOR CHILD**
102 **CARE EXPENSES PAID BY A RESIDENT INDIVIDUAL WITH A**
103 **FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND**
104 **DOLLARS OR LESS.**

SENATE
Amended 2nd Reading
May 9, 2017

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

HOUSE
3rd Reading Unamended
May 3, 2017

For the 3 income tax years prior to January 1, 2017, a residential individual who has a federal adjusted gross income of \$25,000 or less may claim a refundable state income tax credit for child care expenses.

HOUSE
2nd Reading Unamended
May 2, 2017

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

The tax credit is equal to 25% of eligible child care expenses that the individual incurred during the taxable year, up to a maximum amount of \$500 for a single dependent or \$1,000 for 2 or more dependents. The bill extends the tax credit for 3 more income tax years.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-119.5, **amend**
3 (1)(b), (3)(a) introductory portion, and (7); and **add (3)(a.5)** as follows:

4 **39-22-119.5. Child care expenses tax credit - legislative**
5 **declaration - definitions - repeal.** (1) (b) Now, therefore, the general
6 assembly declares that the intended purpose ~~of the tax expenditure~~ FOR
7 CREATING AND EXTENDING THE TERM OF THE TAX CREDIT in this section
8 is to fix the Colorado child care expenses income tax credit so that all
9 low-income working families are able to claim the credit regardless of the
10 amount of their federal child care expenses credit.

11 (3) (a) For income tax years beginning on and after January 1,
12 2014, but prior to January 1, 2017, AND FOR INCOME TAX YEARS SPECIFIED
13 IN SUBSECTION (3)(a.5) OF THIS SECTION, a resident individual is allowed
14 a credit against the taxes due under this article for child care expenses that
15 the individual incurred during the taxable year if:

16 (a.5) (I) IF, BASED ON THE REVENUE ESTIMATE PREPARED BY
17 LEGISLATIVE COUNCIL STAFF IN JUNE 2017, THE GENERAL FUND SURPLUS
18 FOR THE 2016-17 STATE FISCAL YEAR IS EXPECTED TO BE GREATER THAN
19 OR EQUAL TO TWO MILLION NINE HUNDRED THOUSAND DOLLARS, THEN
20 THE CREDIT IS AVAILABLE FOR INCOME TAX YEARS BEGINNING ON AND
21 AFTER JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2020.

22 =====
23 (II) IF THE CONDITION IN SUBSECTION (3)(a.5)(I) OF THIS SECTION

1 IS NOT MET, THEN THE CREDIT IS AVAILABLE FOR INCOME TAX YEARS
2 BEGINNING ON AND AFTER JANUARY 1, 2018, BUT PRIOR TO JANUARY 1,
3 2021.

4 (III) FOR PURPOSES OF DETERMINING WHETHER SUBSECTION
5 (3)(a.5)(I) OR (3)(a.5)(II) OF THIS SECTION APPLIES, LEGISLATIVE COUNCIL
6 STAFF SHALL NOT TAKE INTO ACCOUNT ANY REDUCTION IN REVENUE THAT
7 WOULD RESULT FROM THE CREDIT APPLYING FOR INCOME TAX YEARS
8 BEGINNING ON AND AFTER JANUARY 1, 2017, BUT PRIOR TO JANUARY 1,
9 2018.

10 (7) This section is repealed, effective ~~January 1, 2018~~ JANUARY
11 1, 2022.

12 **SECTION 2. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part will not take effect
19 unless approved by the people at the general election to be held in
20 November 2018 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.