

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-1140.01 Esther van Mourik x4215

HOUSE BILL 18-1359

HOUSE SPONSORSHIP

Benavidez and Pabon,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REMOVAL OF THE CURRENT CALCULATION
102 THRESHOLD THAT LIMITS THE COLORADO CHARITABLE
103 CONTRIBUTION INCOME TAX DEDUCTION.

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>.)

Current law specifies that any individual who claims the basic standard deduction on their federal income tax return, and is therefore unable to claim a federal itemized deduction for charitable contributions, may take a deduction on their Colorado income tax return for the portion of the charitable contributions that exceed \$500 that the individual makes

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

during the tax year. The bill specifies, by removing the \$500 calculation threshold, that for income tax years commencing on or after January 1, 2019, an individual who claims the basic standard deduction on their federal income tax return may take a deduction on their Colorado income tax return for all of the charitable contributions that they make during the tax year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-104, **amend**
3 (4)(m)(I) as follows:

4 **39-22-104. Income tax imposed on individuals, estates, and**
5 **trusts - single rate - legislative declaration - definitions - repeal.**

6 (4) There shall be subtracted from federal taxable income:

7 (m) (I) (A) Except as provided in ~~subparagraph (VII) of this~~
8 ~~paragraph (m)~~ SUBSECTION (4)(m)(VII) OF THIS SECTION, for any income
9 tax year commencing on or after January 1, 2001, BUT BEFORE JANUARY
10 1, 2019, for any individual who claims the basic standard deduction
11 allowed under section 63 (c)(2) of the internal revenue code on the
12 individual's federal return and, therefore, cannot claim an itemized
13 deduction for charitable contributions pursuant to section 170 of the
14 internal revenue code, an amount equal to the amount of any deduction
15 based upon the aggregate amount of charitable contributions in excess of
16 five hundred dollars that the individual could have claimed pursuant to
17 section 170 of the internal revenue code if the individual had not claimed
18 the basic standard deduction.

19 (B) EXCEPT AS PROVIDED IN SUBSECTION (4)(m)(VII) OF THIS
20 SECTION, FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER
21 JANUARY 1, 2019, FOR ANY INDIVIDUAL WHO CLAIMS THE BASIC
22 STANDARD DEDUCTION ALLOWED UNDER SECTION 63 (c)(2) OF THE

1 INTERNAL REVENUE CODE ON THE INDIVIDUAL'S FEDERAL RETURN AND,
2 THEREFORE, CANNOT CLAIM AN ITEMIZED DEDUCTION FOR CHARITABLE
3 CONTRIBUTIONS PURSUANT TO SECTION 170 OF THE INTERNAL REVENUE
4 CODE, AN AMOUNT EQUAL TO THE AMOUNT OF ANY DEDUCTION BASED
5 UPON THE AGGREGATE AMOUNT OF CHARITABLE CONTRIBUTIONS THAT
6 THE INDIVIDUAL COULD HAVE CLAIMED PURSUANT TO SECTION 170 OF THE
7 INTERNAL REVENUE CODE IF THE INDIVIDUAL HAD NOT CLAIMED THE BASIC
8 STANDARD DEDUCTION.

9 **SECTION 2. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2018 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.