

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 22-0019.01 Ed DeCecco x4216

HOUSE BILL 22-1205

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SENATE SPONSORSHIP

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House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN INCOME TAX CREDIT TO HELP**
102 **INCOME-QUALIFIED SENIORS AFFORD HOUSING, AND, IN**
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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>.)

Section 1 of the bill creates a refundable income tax credit (credit) that is available for the income tax year commencing on January 1, 2022, for a qualifying senior, which means an individual who:

- Is 65 years of age or older at the end of 2022;
- Has federal adjusted gross income (AGI) that is less than or

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.

HOUSE
3rd Reading Unamended
April 28, 2022

HOUSE
Amended 2nd Reading
April 27, 2022

- equal to \$75,000; and
- Has not claimed a homestead property tax exemption for the 2022 property tax year.

The amount of the credit is \$1,000 for a qualifying senior with federal AGI that is \$25,000 or less. For every \$500 of AGI above \$25,000, the amount of the credit is reduced by \$10.

Section 2 requires the property tax administrator to provide reports from counties related to taxpayers who are eligible for and actually claim the homestead property tax exemption.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-207, **add** (7) as
3 follows:

4 **39-3-207. Reporting of exemptions - reimbursement to local**
5 **governmental entities - repeal.** (7) (a) ON OR BEFORE DECEMBER 1,
6 2022, THE ADMINISTRATOR SHALL PROVIDE A REPORT TO THE
7 DEPARTMENT OF REVENUE WITH THE NAMES AND SOCIAL SECURITY
8 NUMBERS OF ALL OF THE APPLICANTS ELIGIBLE FOR THE EXEMPTION FOR
9 THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, BASED ON
10 THE ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION (2) OF THIS
11 SECTION OF THE REPORTS RECEIVED IN ACCORDANCE WITH SUBSECTION (1)
12 OF THIS SECTION.

13 (b) ON OR BEFORE APRIL 1, 2023, THE ADMINISTRATOR SHALL
14 PROVIDE A REPORT TO THE DEPARTMENT OF REVENUE WITH THE NAMES
15 AND SOCIAL SECURITY NUMBERS OF ALL TAXPAYERS ENTITLED TO THE
16 EXEMPTION FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
17 2022, BASED ON THE ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION
18 (3.5) OF THIS SECTION OF THE REPORTS RECEIVED IN ACCORDANCE WITH
19 SUBSECTION (3) OF THIS SECTION.

20 (c) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2023.

1 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-543 as
2 follows:

3 **39-22-543. Credit against tax - qualifying seniors - creation -**
4 **legislative declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY
5 HEREBY FINDS AND DECLARES THAT:

6 (I) COLORADO'S AFFORDABLE HOUSING SHORTAGE IS HURTING
7 SENIORS, MAKING IT MORE DIFFICULT FOR MANY SENIORS TO AFFORD
8 HOUSING;

9 (II) THE SENIOR PROPERTY TAX EXEMPTION WAS ADOPTED BY
10 COLORADO VOTERS IN 2000 IN ORDER TO HELP SENIORS AFFORD TO STAY
11 IN THEIR HOMES;

12 (III) MANY SENIORS ARE INELIGIBLE FOR THE SENIOR PROPERTY
13 TAX EXEMPTION BECAUSE THEY HAVE OWNED THEIR HOME FOR FEWER
14 THAN TEN YEARS OR BECAUSE THEY RENT; AND

15 (IV) PROPERTY TAX REBATES OR TAX-EQUIVALENT REBATES FOR
16 RENTERS AVAILABLE UNDER SECTION 39-31-102 ONLY ASSIST SENIORS
17 WITH INCOMES BELOW VERY LOW THRESHOLDS.

18 (b) (I) THEREFORE, IN ORDER TO HELP MORE SENIORS AFFORD THE
19 HIGH COST OF HOUSING IN COLORADO, THE GENERAL ASSEMBLY HEREBY
20 INTENDS TO ESTABLISH A REFUNDABLE INCOME TAX CREDIT FOR
21 INCOME-QUALIFIED SENIORS WHO DO NOT QUALIFY FOR THE SENIOR
22 PROPERTY TAX EXEMPTION TO HELP THEM AFFORD THE HIGH COST OF
23 HOUSING.

24 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), THE PURPOSE
25 OF THE TAX EXPENDITURE CREATED IN THIS SECTION IS TO PROVIDE TAX
26 RELIEF FOR INCOME-QUALIFIED SENIORS.

27 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL

1 MEASURE THE EFFECTIVENESS OF THE EXEMPTION IN ACHIEVING THE
2 PURPOSE SPECIFIED IN SUBSECTION (1)(b)(II) OF THIS SECTION BASED ON
3 THE NUMBER OF TAXPAYERS WHO HAVE CLAIMED THE EXEMPTION.

4 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

6 (a) "CREDIT" MEANS A CREDIT AGAINST INCOME TAX THAT IS
7 CREATED IN THIS SECTION.

8 (b) "QUALIFYING SENIOR" MEANS A RESIDENT INDIVIDUAL WHO:

9 (I) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE END OF 2022;

10 (II) HAS A FEDERAL ADJUSTED GROSS INCOME THAT IS LESS THAN
11 OR EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS FOR THE INCOME TAX
12 YEAR COMMENCING ON JANUARY 1, 2022; AND

13 (III) HAS NOT CLAIMED A PROPERTY TAX EXEMPTION UNDER
14 SECTION 39-3-203 FOR THE PROPERTY TAX YEAR COMMENCING ON
15 JANUARY 1, 2022.

16 (3) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
17 2022, A QUALIFYING SENIOR IS ALLOWED A CREDIT AGAINST THE TAX
18 IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT SET FORTH IN SUBSECTION (4)
19 OF THIS SECTION.

20 (4) (a) THE AMOUNT OF THE CREDIT IS ONE THOUSAND DOLLARS
21 FOR A QUALIFYING SENIOR WITH FEDERAL ADJUSTED GROSS INCOME THAT
22 IS TWENTY-FIVE THOUSAND DOLLARS OR LESS. FOR EVERY FIVE HUNDRED
23 DOLLARS OF ADJUSTED GROSS INCOME ABOVE TWENTY-FIVE THOUSAND
24 DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED BY TEN DOLLARS.

25 (b) THE CREDIT IS THE SAME WHETHER IT IS CLAIMED BY ONE
26 TAXPAYER FILING A SINGLE RETURN OR TWO TAXPAYERS FILING A JOINT
27 RETURN. IN THE CASE OF TWO TAXPAYERS WHO SHARE THE SAME PRIMARY

1 RESIDENCE AND WHO MAY LEGALLY FILE A JOINT RETURN BUT ACTUALLY
2 FILE SEPARATE RETURNS, BOTH TAXPAYERS MAY CLAIM THE CREDIT, BUT
3 THE MAXIMUM CREDIT FOR EACH IS FIVE HUNDRED DOLLARS AND, FOR
4 EVERY FIVE HUNDRED DOLLARS OF ADJUSTED GROSS INCOME ABOVE
5 TWENTY-FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS
6 REDUCED BY FIVE DOLLARS.

7 (c) NOTWITHSTANDING SUBSECTIONS (4)(a) AND (4)(b) OF THIS
8 SECTION, A TAXPAYER WHO ALSO QUALIFIES FOR A GRANT UNDER ARTICLE
9 31 OF THIS TITLE 39 DURING CALENDAR YEAR 2022 IS ELIGIBLE TO RECEIVE
10 THE FULL CREDIT WITHOUT AN INCOME-BASED REDUCTION THAT
11 OTHERWISE APPLIES FOR THE TAXPAYER UNDER SUBSECTION (4)(a) OR
12 (4)(b) OF THIS SECTION.

13 (5) (a) ANY AMOUNT OF THE CREDIT THAT EXCEEDS THE
14 QUALIFYING SENIOR'S INCOME TAXES DUE IS REFUNDED TO THE
15 QUALIFYING SENIOR.

16 (b) TO THE EXTENT PERMITTED BY FEDERAL LAW, THE CREDIT IS
17 NOT INCOME OR RESOURCES FOR THE PURPOSE OF DETERMINING
18 ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE BENEFITS AND
19 MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE LAW OR FOR
20 A PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED PROGRAMS.

21
22 (6) THE DEPARTMENT OF REVENUE MAY USE THE REPORTS
23 RECEIVED FROM THE PROPERTY TAX ADMINISTRATOR IN ACCORDANCE
24 WITH SECTION 39-3-207 (7) FOR PURPOSES OF CONFIRMING THAT A
25 TAXPAYER MEETS THE ELIGIBILITY REQUIREMENT SET FORTH IN
26 SUBSECTION (2)(b)(III) OF THIS SECTION.

27 **SECTION 3. Appropriation.** (1) For the 2022-23 state fiscal

1 year, \$424,445 is appropriated to the department of revenue. This
2 appropriation is from general fund. To implement this act, the department
3 may use this appropriation as follows:

4 (a) \$240,624 for use by taxation services for personal services
5 related to administration, which amount is based on an assumption that
6 the department will require an additional 4.7 FTE;

7 (b) \$99,039 for tax administration IT system (GenTax) support;

8 (c) \$50,555 for use by taxation services for operating expense
9 related to administration;

10 (d) \$27,827 for the purchase of document management services;

11 and

12 (e) \$6,400 for use by the executive director's office for personal
13 services related to administration and support.

14 (2) For the 2022-23 state fiscal year, \$27,827 is appropriated to
15 the department of personnel. This appropriation is from reappropriated
16 funds received from the department of revenue under subsection (1)(d)
17 of this section. To implement this act, the department of personnel may
18 use this appropriation to provide document management services for the
19 department of revenue.

20 **SECTION 4. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2022 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.