

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 23-0486.02 Pierce Lively x2059

HOUSE BILL 23-1008

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House Committees

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A BILL FOR AN ACT

101 **CONCERNING TAX POLICIES RELATED TO THE ACCESSIBILITY OF FOOD,**
102 **AND, IN CONNECTION THEREWITH, REQUIRING ADDITIONS TO**
103 **COLORADO TAXABLE INCOME IN AMOUNTS EQUAL TO THE**
104 **BUSINESS MEALS FEDERAL ITEMIZED DEDUCTION, CREATING A**
105 **TAX CREDIT TO SUPPORT THE SMALL BUSINESS RECOVERY AND**
106 **RESILIENCE GRANT PROGRAM, PROVIDING FUNDING FOR**
107 **HEALTHY EATING PROGRAM INCENTIVES, AND MAKING AN**
108 **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

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

SENATE
3rd Reading Unamended
April 27, 2023

SENATE
Amended 2nd Reading
April 26, 2023

HOUSE
3rd Reading Unamended
March 20, 2023

HOUSE
Amended 2nd Reading
March 17, 2023

<http://leg.colorado.gov>.)

Section 2 of the bill requires the general assembly, for fiscal year 2023-24 through fiscal year 2030-31, to annually transfer \$1 million to the prevention services division (division) within the department of public health and environment. The bill requires the division to use this money to partner with a statewide nonprofit organization to provide healthy eating program incentives among Colorado's low-income populations.

Section 3 requires individual taxpayers to add an amount of federal taxable income equal to their federal deduction for business meals to their state income tax liability for the 2024 through 2030 income tax years. **Section 4** requires the same of corporate taxpayers. **Section 6** requires the general assembly to transfer the following amounts from the general fund to the department of agriculture to implement the small business recovery and resilience grant program (grant program):

- For fiscal years 2023-24 and 2030-31, \$2.5 million; and
- For fiscal years 2024-25 through 2029-30, \$5 million.

Section 6 also extends the repeal date of the grant program from September 1, 2027 to September 1, 2031.

Section 5 creates a tax credit for small food retailers and small family farms that purchase certain systems or equipment. The tax credit is equal to 75% of the cost of those systems or equipment. Purchasers may assign the tax credit to the seller who sells them the qualifying systems or equipment. The tax credit is available for the 2024 through 2030 tax years.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) A recent survey found that one in three Coloradans are "food
5 insecure", that is, lacking reliable access to nutritious food;

6 (b) In addition, more than one in three adults living with children
7 have reported regularly cutting back or skipping meals to allow their
8 children to have enough to eat;

9 (c) Childhood hunger can have lifetime impacts, such as
10 interfering with developmental and educational progress;

11 (d) Certain communities, including communities of color, seniors,

1 and lower-income Coloradans, are prone to higher-than-average rates of
2 food insecurity;

3 (e) Food security and housing security are closely related issues,
4 because both are basic needs that a family must account for, and the two
5 can become competing priorities on a limited budget. That is, a family's
6 ability to pay for their food is directly related to their ability to pay for
7 their housing, and improving one will necessarily improve the other.

8 (f) Improving the capacity of existing small, local retailers to store
9 and sell nutritious food can improve access, lower prices, and reduce food
10 insecurity, particularly for Colorado families most at risk of it, while
11 keeping more of the proceeds of economic activity in the local
12 community;

13 (g) Expanding the number of retailers selling fresh produce may
14 also create new market opportunities for Colorado agricultural producers;

15 (h) Therefore, the general assembly determines that enacting this
16 legislation to further support existing nutrition access efforts will improve
17 access to nutritious food for Coloradans, assist small businesses, and
18 foster Colorado's agricultural industry.

19

20 **SECTION 2. In Colorado Revised Statutes, 25-20.5-104, add**
21 **(2.5) as follows:**

22 **25-20.5-104. Functions of division. (2.5) (a) FOR STATE FISCAL**
23 **YEAR 2023-24, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWO**
24 **HUNDRED AND FIFTY THOUSAND DOLLARS TO THE DIVISION FOR THE**
25 **DIVISION TO PARTNER WITH A STATEWIDE NONPROFIT ORGANIZATION TO**
26 **PROVIDE HEALTHY EATING PROGRAM INCENTIVES AMONG COLORADO'S**
27 **LOW-INCOME POPULATIONS. THESE PROGRAM INCENTIVES MUST ATTEMPT**

1 TO IMPROVE ACCESS TO FRESH COLORADO-GROWN FRUITS AND
2 VEGETABLES AMONG COLORADO'S LOW-INCOME POPULATIONS.

3 (b) THE STATEWIDE NONPROFIT ORGANIZATION SELECTED BY THE
4 DIVISION FOR THE PARTNERSHIP DESCRIBED IN THIS SUBSECTION (2.5)
5 SHALL HAVE EXPERIENCE IN SUPPORTING HEALTHY EATING INCENTIVES
6 PROGRAMS, SUCH AS PROGRAMS AT LOCAL FARMERS MARKETS, AND
7 EXPERIENCE WITH COORDINATING HEALTHY EATING PROGRAMS AND
8 FUNDING BETWEEN LOCAL, STATE, AND FEDERAL PROGRAMS.

9 (c) IN PROVIDING THE PROGRAM INCENTIVES DESCRIBED IN THIS
10 SUBSECTION (2.5), BOTH THE DIVISION AND THE NONPROFIT SHALL
11 MINIMIZE THEIR ADMINISTRATIVE EXPENSES. THE DIVISION SHALL NOT USE
12 MORE THAN TEN THOUSAND DOLLARS AND THE NONPROFIT SHALL NOT USE
13 MORE THAN FIVE PERCENT OF THE AMOUNT TRANSFERRED PURSUANT TO
14 SUBSECTION (2.5)(a) OF THIS SECTION FOR THEIR ADMINISTRATIVE
15 EXPENSES.

16 (d) THE DIVISION SHALL USE THE FUNDING PROVIDED IN
17 SUBSECTION (2.5)(a) OF THIS SECTION TO SUPPLEMENT, NOT SUPPLANT,
18 OTHER GENERAL FUND APPROPRIATIONS TO THE DIVISION.

19 (e) ALL BUT SEVENTY-SEVEN THOUSAND SEVEN HUNDRED AND
20 FIFTY TWO DOLLARS OF THE AMOUNT TRANSFERRED PURSUANT TO
21 SUBSECTION (2.5)(a) OF THIS SECTION MUST BE EXPEND FOR HEALTHY
22 EATING PROGRAM INCENTIVES AMONG COLORADO'S LOW-INCOME
23 POPULATIONS.

24 (f) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE SEPTEMBER 1,
25 2025.

26 **SECTION 3.** In Colorado Revised Statutes, 39-22-104, **add** (3)(s)
27 as follows:

1 **39-22-104. Income tax imposed on individuals, estates, and**
2 **trusts - single rate - report - legislative declaration - definitions -**
3 **repeal.** (3) There shall be added to the federal taxable income:

4 (s) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
5 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2031, AN AMOUNT EQUAL TO
6 A FEDERAL DEDUCTION CLAIMED FOR A BUSINESS MEAL PURSUANT TO
7 SECTION 274 (k) OF THE INTERNAL REVENUE CODE.

8 (II) THIS SUBSECTION (3)(s) IS REPEALED, EFFECTIVE DECEMBER
9 31, 2035.

10 **SECTION 4.** In Colorado Revised Statutes, 39-22-304, **add**
11 (2)(k) as follows:

12 **39-22-304. Net income of corporation - legislative declaration**
13 **- definitions - repeal.** (2) There shall be added to federal taxable income:

14 (k) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
15 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2031, AN AMOUNT EQUAL TO
16 A FEDERAL DEDUCTION CLAIMED FOR A BUSINESS MEAL PURSUANT TO
17 SECTION 274 (k) OF THE INTERNAL REVENUE CODE.

18 (II) THIS SUBSECTION (2)(k) IS REPEALED, EFFECTIVE DECEMBER
19 31, 2035.

20 **SECTION 5.** In Colorado Revised Statutes, **add** 39-22-549 as
21 follows:

22 **39-22-549. Credit against tax - small food business recovery**
23 **and resilience grant program equipment - community food**
24 **consortium duties and responsibilities - tax preference performance**
25 **statement - legislative declaration - definitions - repeal.** (1) (a) THE
26 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT, IN ACCORDANCE
27 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES

1 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
2 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
3 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE PURPOSES
4 OF THE TAX EXPENDITURE CREATED IN SUBSECTION (3) OF THIS SECTION
5 ARE TO:

6 (I) INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,
7 SPECIFICALLY THE PURCHASE AND USE OF SMALL FOOD BUSINESS
8 RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT AND THE
9 INCREASE OF ACTIVITIES OF THE COMMUNITY FOOD CONSORTIUM FOR
10 SMALL FOOD RETAILERS AND COLORADO-OWNED AND
11 COLORADO-OPERATED FARMS; AND

12 (II) CONTRIBUTE TO THE STATE'S EFFORT TO IMPROVE ACCESS TO
13 AND LOWER PRICES FOR HEALTHY FOODS IN LOW-INCOME AND
14 UNDERSERVED AREAS OF THE STATE BY SUPPORTING SMALL FOOD
15 RETAILERS AND SMALL FAMILY FARMS.

16 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
17 MEASURE THE EFFECTIVENESS OF THE TAX CREDITS IN ACHIEVING THE
18 PURPOSES SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION BASED ON
19 THE NUMBER OF THE TAX CREDITS CREATED IN THIS SECTION THAT
20 TAXPAYERS CLAIM. THE DEPARTMENT OF AGRICULTURE AND THE
21 DEPARTMENT OF REVENUE SHALL PROVIDE THE STATE AUDITOR WITH ANY
22 AVAILABLE INFORMATION THAT WOULD ASSIST THE STATE AUDITOR IN
23 THIS MEASUREMENT.

24 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
25 REQUIRES:

26 (a) "AMOUNT CERTAIN SPENT BY THE MEMBER OF THE
27 CONSORTIUM ON COMPLETING ITS DUTIES AND RESPONSIBILITIES" MEANS

1 THE AMOUNT SPENT ON PALLET, PALLET BREAK, DISTRIBUTION, AND
2 DELIVERY FEES THAT IS ELIGIBLE FOR A SUBSIDY FROM THE CONSORTIUM
3 BUT IS NOT OTHERWISE COVERED BY THE CONSORTIUM.

4 (b) "DUTIES AND RESPONSIBILITIES" MEANS THE DUTIES AND
5 RESPONSIBILITIES OF THE MEMBERS OF CONSORTIUM PURSUANT TO
6 SECTION 35-1-117 (2)(a).

7 (c) "MEMBER OF THE CONSORTIUM" MEANS ANY MEMBER OF THE
8 COMMUNITY FOOD CONSORTIUM FOR SMALL FOOD RETAILERS AND
9 COLORADO-OWNED AND COLORADO-OPERATED FARMS CREATED IN
10 SECTION 35-1-117 (2)(a).

11 (d) "PURCHASE PRICE" MEANS THE AMOUNT ACTUALLY PAID BY
12 THE PURCHASER FOR THE SMALL FOOD BUSINESS RECOVERY AND
13 RESILIENCE GRANT PROGRAM EQUIPMENT, INCLUDING CHARGES FOR SALES
14 TAX AND FREIGHT, BUT NOT INCLUDING ANY CHARGES FOR ASSEMBLY,
15 INSTALLATION, OTHER CONSTRUCTION SERVICES, OR PERMIT FEES.

16 (e) "PURCHASER" MEANS A SMALL FOOD RETAILER OR SMALL
17 FAMILY FARM THAT PURCHASES SMALL FOOD BUSINESS RECOVERY AND
18 RESILIENCE GRANT PROGRAM EQUIPMENT.

19
20 (f) "SMALL FAMILY FARM" HAS THE SAME MEANING AS SET FORTH
21 IN SECTION 35-1-117 (8)(d).

22 (g) "SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT
23 PROGRAM EQUIPMENT" MEANS THE ITEMS LISTED IN SECTION 35-1-117
24 (3)(a)(II) AND (3)(a)(IV).

25 (h) "SMALL FOOD RETAILER" HAS THE SAME MEANING AS SET
26 FORTH IN SECTION 35-1-117 (8)(e).

27 (3) (a) SUBJECT TO THE PROVISIONS OF SUBSECTION (4) OF THIS

1 SECTION:

2 (I) (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2025, ANY MEMBER OF THE
4 FOOD CONSORTIUM IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY
5 THIS ARTICLE 22 IN AN AMOUNT EQUAL TO EIGHTY-FIVE PERCENT OF THE
6 AMOUNT CERTAIN SPENT BY THE MEMBER OF THE CONSORTIUM ON
7 COMPLETING ITS DUTIES AND RESPONSIBILITIES MINUS ANY AMOUNT
8 AWARDED TO THE MEMBER OF THE CONSORTIUM PURSUANT TO SECTION
9 35-1-117 (2) FOR THE COMPLETION OF ITS DUTIES AND RESPONSIBILITIES;

10 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
11 1, 2025, BUT BEFORE JANUARY 1, 2031, ANY MEMBER OF THE FOOD
12 CONSORTIUM IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS
13 ARTICLE 22 IN AN AMOUNT EQUAL TO SEVENTY-FIVE PERCENT OF THE
14 AMOUNT CERTAIN SPENT BY THE MEMBER OF THE CONSORTIUM ON
15 COMPLETING ITS DUTIES AND RESPONSIBILITIES MINUS ANY AMOUNT
16 AWARDED TO THE MEMBER OF THE CONSORTIUM PURSUANT TO SECTION
17 35-1-117 (2) FOR THE COMPLETION OF ITS DUTIES AND RESPONSIBILITIES;

18 AND

19 (II) (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
20 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2025, ANY PURCHASER OF
21 SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM
22 EQUIPMENT IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS
23 ARTICLE 22 IN AN AMOUNT EQUAL TO EIGHTY-FIVE PERCENT OF THE
24 PURCHASE PRICE OF THE RELEVANT SMALL FOOD BUSINESS RECOVERY AND
25 RESILIENCE GRANT PROGRAM EQUIPMENT MINUS THE AMOUNT OF ANY
26 GRANT AWARDED UNDER THE SMALL FOOD BUSINESS RECOVERY AND
27 RESILIENCE GRANT PROGRAM FOR THE PURCHASE OF THE SAME SMALL

1 FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT.

2 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
3 1, 2025, BUT BEFORE JANUARY 1, 2031, ANY PURCHASER OF SMALL FOOD
4 BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT IS
5 ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 IN AN
6 AMOUNT EQUAL TO SEVENTY-FIVE PERCENT OF THE PURCHASE PRICE OF
7 THE RELEVANT SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT
8 PROGRAM EQUIPMENT MINUS THE AMOUNT OF ANY GRANT AWARDED
9 UNDER THE SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT
10 PROGRAM FOR THE PURCHASE OF THE SAME SMALL FOOD BUSINESS
11 RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT.

12 [REDACTED]

13 (b) THE CREDIT ALLOWED PURSUANT TO THIS SECTION IS FOR THE
14 INCOME TAX YEAR IN WHICH A MEMBER OF THE CONSORTIUM SPENT AN
15 AMOUNT CERTAIN ON COMPLETING ITS DUTIES AND RESPONSIBILITIES OR
16 A PURCHASER PURCHASES THE RELEVANT SMALL FOOD BUSINESS
17 RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT.

18 [REDACTED]

19 (4) (a) A MEMBER OF THE CONSORTIUM OR A PURCHASER OF SMALL
20 FOOD BUSINESS RECOVERY GRANT PROGRAM EQUIPMENT MAY SUBMIT AN
21 APPLICATION TO THE DEPARTMENT OF AGRICULTURE FOR THE ISSUANCE OF
22 A LETTER OF ELIGIBILITY FOR A TAX CREDIT CERTIFICATE ALLOWED IN THIS
23 SECTION BY THE DEADLINES ESTABLISHED IN THE RULES PROMULGATED BY
24 THE DEPARTMENT OF AGRICULTURE. THE APPLICATION MUST INCLUDE:

25 (I) A CERTIFICATION THAT THE APPLICANT IS EITHER:
26 (A) A PURCHASER WHO IS A SMALL FOOD RETAILER OR SMALL
27 FAMILY FARM THAT PURCHASED SMALL FOOD BUSINESS RECOVERY AND

1 RESILIENCE GRANT PROGRAM EQUIPMENT; OR

2 (B) A MEMBER OF THE CONSORTIUM THAT SPENT AN AMOUNT
3 CERTAIN ON COMPLETING ITS DUTIES AND RESPONSIBILITIES; AND

4 (II) DETAILED INFORMATION REGARDING:

5 (A) THE PURCHASE PRICE THAT WOULD BE INCURRED BY A
6 PURCHASER OF SMALL FOOD BUSINESS RECOVERY AND RESILIENCE GRANT
7 PROGRAM EQUIPMENT AND THE DATE ON WHICH THE PURCHASE WOULD BE
8 MADE; OR

9 (B) AN ITEMIZED TOTAL OF THE AMOUNT CERTAIN THAT WOULD
10 BE SPENT BY A MEMBER OF THE CONSORTIUM ON COMPLETING ITS DUTIES
11 AND RESPONSIBILITIES, AND THE DATE OR DATES ON WHICH THE MEMBER
12 OF THE CONSORTIUM WOULD SPEND THE AMOUNTS.

13 (b) IF THE DEPARTMENT OF AGRICULTURE DETERMINES THAT THE
14 APPLICATION FILED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION IS
15 COMPLETE, THE DEPARTMENT OF AGRICULTURE SHALL DETERMINE
16 WHETHER THE APPLICANT WOULD QUALIFY FOR THE CREDIT ALLOWED
17 PURSUANT TO THIS SECTION IF THE APPLICANT MADE THE PURCHASE
18 DESCRIBED IN THE APPLICATION AND THE DEPARTMENT OF AGRICULTURE
19 HAD NOT ISSUED TAX CREDIT CERTIFICATES IN EXCESS OF A TOTAL OF TEN
20 MILLION DOLLARS FOR THE INCOME TAX YEAR. IF THE DEPARTMENT OF
21 AGRICULTURE APPROVES THE APPLICATION, THE DEPARTMENT OF
22 AGRICULTURE SHALL ISSUE A LETTER OF ELIGIBILITY TO THE APPLICANT
23 THAT INDICATES THE AMOUNT OF THE TAX CREDIT THAT THE PURCHASER
24 OR MEMBER OF THE CONSORTIUM COULD CLAIM FOR THE SPECIFIED
25 INCOME TAX YEAR IF THEY WERE TO MAKE THE PURCHASE DESCRIBED IN
26 THE APPLICATION AND IF THE DEPARTMENT OF AGRICULTURE HAS NOT
27 ISSUED TAX CREDIT CERTIFICATES IN EXCESS OF A TOTAL OF TEN MILLION

1 DOLLARS FOR THE INCOME TAX YEAR.

2 (5) (a) A MEMBER OF THE CONSORTIUM OR A PURCHASER OF SMALL
3 FOOD BUSINESS RECOVERY GRANT PROGRAM EQUIPMENT SHALL SUBMIT
4 AN APPLICATION TO THE DEPARTMENT OF AGRICULTURE FOR THE
5 ISSUANCE OF A TAX CREDIT CERTIFICATE ALLOWED IN THIS SECTION BY
6 THE DEADLINES ESTABLISHED IN THE RULES PROMULGATED BY THE
7 DEPARTMENT OF AGRICULTURE. THE APPLICATION MUST INCLUDE:

8 (I) A CERTIFICATION THAT THE APPLICANT IS EITHER:

9 (A) A PURCHASER WHO IS A SMALL FOOD RETAILER OR SMALL
10 FAMILY FARM THAT PURCHASED SMALL FOOD BUSINESS RECOVERY AND
11 RESILIENCE GRANT PROGRAM EQUIPMENT; OR

12 (B) A MEMBER OF THE CONSORTIUM THAT SPENT AN AMOUNT
13 CERTAIN ON COMPLETING ITS DUTIES AND RESPONSIBILITIES; AND

14 (II) DETAILED INFORMATION REGARDING:

15 (A) THE PURCHASE PRICE INCURRED BY A PURCHASER OF SMALL
16 FOOD BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM EQUIPMENT
17 AND THE DATE THAT THE PURCHASE WAS MADE; OR

18 (B) AN ITEMIZED TOTAL OF THE AMOUNT CERTAIN SPENT BY A
19 MEMBER OF THE CONSORTIUM ON COMPLETING ITS DUTIES AND
20 RESPONSIBILITIES, AND THE DATE OR DATES THAT THE MEMBER OF THE
21 CONSORTIUM SPENT THE AMOUNTS.

22 (b) IF THE DEPARTMENT OF AGRICULTURE DETERMINES THAT THE
23 APPLICATION FILED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION IS
24 COMPLETE, THE DEPARTMENT OF AGRICULTURE SHALL DETERMINE
25 WHETHER THE APPLICANT QUALIFIES FOR THE CREDIT ALLOWED PURSUANT
26 TO THIS SECTION. IF THE DEPARTMENT OF AGRICULTURE APPROVES THE
27 APPLICATION, THE DEPARTMENT OF AGRICULTURE SHALL ISSUE A TAX

1 CREDIT CERTIFICATE TO THE APPLICANT THAT INDICATES THE AMOUNT OF
2 THE TAX CREDIT THAT THE PURCHASER OR MEMBER OF THE CONSORTIUM
3 MAY CLAIM FOR THE SPECIFIED INCOME TAX YEAR; EXCEPT THAT THE
4 TOTAL AMOUNT OF TAX CREDIT CERTIFICATES ISSUED BY THE
5 DEPARTMENT OF AGRICULTURE IN A GIVEN INCOME TAX YEAR MUST NOT
6 EXCEED A TOTAL OF TEN MILLION DOLLARS.

7 (c) THE DEPARTMENT OF AGRICULTURE SHALL ISSUE TAX CREDIT
8 CERTIFICATES ALLOWED IN THIS SECTION IN AN ORDER THAT ACCORDS
9 WITH THE RULES PROMULGATED BY THE DEPARTMENT OF AGRICULTURE.
10 THE DEPARTMENT OF AGRICULTURE SHALL REVIEW AND APPROVE OR
11 DISAPPROVE AN APPLICATION FILED PURSUANT TO SUBSECTION (5)(a) OF
12 THIS SECTION WITHIN A REASONABLE TIME, NOT TO EXCEED NINETY DAYS
13 AFTER THE FILING OF A COMPLETED APPLICATION.

14 (6) TO CLAIM THE INCOME TAX CREDIT ALLOWED PURSUANT TO
15 THIS SECTION, THE PURCHASER OR MEMBER OF THE CONSORTIUM SHALL
16 ATTACH A COPY OF THE TAX CREDIT CERTIFICATE TO ITS STATE INCOME
17 TAX RETURN. NO TAX CREDIT IS ALLOWED PURSUANT TO THIS SECTION
18 UNLESS THE PURCHASER OR MEMBER OF THE CONSORTIUM PROVIDES A
19 COPY OF THE TAX CREDIT CERTIFICATE WITH ITS FILED STATE INCOME TAX
20 RETURN. THE AMOUNT OF THE CREDIT THAT THE PURCHASER OR MEMBER
21 OF THE CONSORTIUM MAY CLAIM PURSUANT TO THIS SECTION IS THE
22 AMOUNT STATED ON THE TAX CREDIT CERTIFICATE.

23 (7) IN A SUFFICIENTLY TIMELY MANNER TO ALLOW THE
24 DEPARTMENT OF REVENUE TO PROCESS RETURNS CLAIMING THE INCOME
25 TAX CREDIT ALLOWED PURSUANT TO THIS SECTION, THE DEPARTMENT OF
26 AGRICULTURE SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH AN
27 ELECTRONIC REPORT OF EACH PURCHASER OR MEMBER OF THE

1 CONSORTIUM THAT THE DEPARTMENT OF AGRICULTURE APPROVED FOR
2 THE INCOME TAX CREDIT ALLOWED PURSUANT TO THIS SECTION FOR THE
3 PRECEDING CALENDAR YEAR THAT INCLUDES THE FOLLOWING
4 INFORMATION:

5 (a) THE TAXPAYER'S NAME; AND

6 (b) THE TAXPAYER'S SOCIAL SECURITY NUMBER, COLORADO
7 ACCOUNT NUMBER, OR FEDERAL EMPLOYER IDENTIFICATION NUMBER.

8 (8) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE
9 INCOME TAX DUE ON THE INCOME OF THE MEMBER OF THE CONSORTIUM OR
10 PURCHASER FOR THE TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE
11 CARRIED FORWARD AND IS REFUNDABLE TO THE MEMBER OF THE
12 CONSORTIUM OR PURCHASER.

13 (9) THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF
14 REVENUE MAY PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF
15 TITLE 24 AS MAY BE NECESSARY TO EFFECTUATE THE PURPOSES OF THIS
16 SECTION.

17 (10) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2035.

18 **SECTION 6.** In Colorado Revised Statutes, 35-1-117, **amend**
19 (2)(b)(III), (3)(a) introductory portion, (3)(c)(I), (3)(c)(III), (8)(e)(I), and
20 (9); and **repeal** (2)(b)(V) as follows:

21 **35-1-117. Community food access program - creation -**
22 **purpose - duties and responsibilities - grant program - funding -**
23 **reporting - rules - definitions - repeal.** (2) (b) (III) Money spent
24 pursuant to this subsection ~~(2)~~ (2)(b) must conform with the allowable
25 purposes set forth in the federal "American Rescue Plan Act of 2021",
26 Pub.L. 117-2, as amended. The department shall either spend or obligate
27 such appropriation prior to December 30, 2024, and expend the

1 appropriation on or before December 31, 2026.

2 (V) This subsection (2) is repealed, effective September 1, 2027.

3 (3) (a) As part of the program, the department shall create and
4 manage the small food business recovery and resilience grant program.
5 The department shall award ~~one-time~~ grants, not to exceed ~~twenty-five~~
6 FIFTY thousand dollars, out of the grant program, to participating small
7 food retailers and small family farms. THE DEPARTMENT MAY AWARD THE
8 OWNER OF A SMALL FOOD RETAILER OR SMALL FAMILY FARM ONE SUCH
9 GRANT EACH CALENDAR YEAR FOR EVERY SMALL FOOD RETAILER OR
10 SMALL FAMILY FARM OWNED BY THE OWNER. THE DEPARTMENT SHALL
11 AWARD THESE GRANTS for:

12 (c) (I) For the 2022-23 state fiscal year, the general assembly shall
13 appropriate seven million dollars from the economic recovery and relief
14 cash fund created in section 24-75-228 to the department for the purposes
15 of implementing ~~this subsection (3) and subsection (4)~~ of this section.

16 (III) Money spent pursuant to this subsection ~~(3)~~ (3)(c) must
17 conform with the allowable purposes set forth in the federal "American
18 Rescue Plan Act of 2021", Pub.L. 117-2, as amended. The department
19 shall either spend or obligate such appropriation prior to December 30,
20 2024, and expend the appropriation on or before December 31, 2026.

21 (8) As used in this section, unless the context otherwise requires:

22 (e) "Small food retailer" means:

23 (I) An independent or nonprofit-managed, Colorado-owned, and
24 Colorado-operated small food retail business, defined as a food retailer
25 with less than ~~five~~ TEN thousand square feet of retail space that carries at
26 least three categories of federally defined staple foods, as described in the
27 federal "Food and Nutrition Act of 2008", secs. 3 and 9, the

1 "Consolidated Appropriations Act of 2017", sec. 76, and the federal
2 "Enhancing Retailer Standards in the Supplemental Nutrition Assistance
3 Program", 81 Fed. Reg. 90675, and be located in or provide food to local,
4 state, or federally defined low-income, low-access neighborhoods; or

5 (9) This section is repealed, effective ~~September 1, 2027~~
6 SEPTEMBER 1, 2031.

7 **SECTION 7. Appropriation.** (1) For the 2023-24 state fiscal
8 year, \$360,413 General Fund is appropriated to the department of
9 agriculture. To implement this act, the department may use this
10 appropriation as follows:

11 (a) \$98,185 for use by the commissioner's office for personal
12 services, which amount is based on an assumption that the commissioner's
13 office will require an additional 1.0 FTE;

14 (b) \$45,579 for use by the commissioner's office for operating
15 expenses;

16 (c) \$44,411 for use by the commissioner's office for legal services;

17 (d) \$172,238 for use by the agricultural markets division for the
18 community food access program, which amount is based on an
19 assumption that the department will require an additional 2.0 FTE.

20 (2) For the 2023-24 state fiscal year, \$44,411 is appropriated to
21 the department of law. This appropriation is from reappropriated funds
22 received from the department of agriculture under subsection (1)(c) of
23 this section. To implement this act, the department of law may use this
24 appropriation to provide legal services for the department of agriculture.

25 (3) For the 2023-24 state fiscal year, \$250,000 is appropriated to
26 the department of public health and environment for use by the prevention
27 services division. This appropriation is from the general fund. To

1 implement this act, the division may use this appropriation for chronic
2 disease and cancer prevention grants for the purposes specified in
3 25-20.5-104 (2.5)(a), C.R.S. _____

4 **SECTION 8. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly; except
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V
8 of the state constitution against this act or an item, section, or part of this
9 act within such period, then the act, item, section, or part will not take
10 effect unless approved by the people at the general election to be held in
11 November 2024 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.