

First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 23B-0001.01 Jed Franklin x5484

SENATE BILL 23B-003

SENATE SPONSORSHIP

Hinrichsen and Marchman,

HOUSE SPONSORSHIP

Mabrey and Dickson, Kipp, Rutinel, Story, Weissman, Willford

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN IDENTICAL REFUND PAYMENT OF**
102 **EXCESS STATE REVENUES FROM ALL SOURCES AS A MECHANISM**
103 **TO REFUND A PORTION OF THE EXCESS STATE REVENUES FOR**
104 **THE 2022-23 STATE FISCAL YEAR ONLY.**

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>.)

If the state exceeds its fiscal year spending limit (limit), it is required to refund the excess state revenues (TABOR refunds). There are currently 3 refund mechanisms for TABOR refunds that apply for the

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
Amended 2nd Reading
November 18, 2023

2022-23 state fiscal year:

- Reimbursement, paid to counties for allocation to local governments that levy property taxes, for the reduction in property taxes resulting from the property tax exemptions for qualifying seniors and veterans with a disability;
- An additional reimbursement that is paid to counties for allocation to local governmental entities that levy property taxes for the reduction in property taxes resulting from reductions in valuation for assessment; and
- A sales tax refund for individual taxpayers, the amount of which is either based on 6 tiers of income or, if there is insufficient revenue for the tiered approach, is an identical refund amount.

The bill creates a new temporary refund mechanism that replaces the sales tax refund mechanism for the 2022-23 state fiscal year. Under this mechanism, each qualified individual is eligible to receive an identical refund payment from the remaining excess state revenues after refunds are made through the county reimbursement mechanisms (remaining excess state revenues). The amount of the refund is equal to the remaining excess state revenues divided by the number of qualified individuals, and it is a refund from all sources of state fiscal year spending. A qualified individual filing a single return is entitled to one refund, and 2 qualified individuals filing a joint return are entitled to 2 refunds. The executive director of the department of revenue is required to administer this refund in the same manner as the identical sales tax refund.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-2005 as
3 follows:

4 **39-22-2005. Refund of excess state revenues from all sources**

5 - **definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES:

7 (a) "QUALIFIED INDIVIDUAL" HAS THE SAME MEANING AS SET
8 FORTH IN SECTION 39-22-2003 (1).

9 (b) "REMAINING EXCESS STATE REVENUES" MEANS THE TOTAL
10 AMOUNT OF THE STATE REVENUES FOR THE STATE FISCAL YEAR

1 COMMENCING ON JULY 1, 2022, IN EXCESS OF THE LIMITATION ON STATE
2 FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF
3 THE STATE CONSTITUTION THAT THE STATE IS REQUIRED TO REFUND
4 UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION,
5 INCLUDING ANY AMOUNT SPECIFIED IN SECTION 24-77-103.8, THAT
6 EXCEEDS THE AMOUNTS TO BE REFUNDED AS REQUIRED BY SECTIONS
7 39-22-123.5 (2.8), AS ENACTED BY HOUSE BILL 23B-1002 IN 2023,
8 39-3-209, AND 39-3-210, FOR THE STATE FISCAL YEAR. FOR THE PURPOSES
9 OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL USE THE AMOUNTS
10 REQUIRED TO BE REFUNDED AS CERTIFIED BY THE STATE CONTROLLER
11 PURSUANT TO SECTION 24-77-106.5 AND THE MOST RECENT ESTIMATES BY
12 LEGISLATIVE COUNCIL STAFF OF THE AMOUNTS TO BE REFUNDED AS
13 REQUIRED BY SECTION 39-22-123.5 (2.8), AS ENACTED BY HOUSE BILL
14 23B-1002 IN 2023, 39-3-209, AND 39-3-210.

15 (2) NOTWITHSTANDING SECTIONS 39-22-2002 AND 39-22-2003,
16 ANY REMAINING EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR
17 COMMENCING ON JULY 1, 2022, ARE REFUNDED THROUGH AN IDENTICAL
18 PAYMENT TO QUALIFIED INDIVIDUALS. THE AMOUNT OF EACH REFUND IS
19 EQUAL TO THE AMOUNT OF THE REMAINING EXCESS STATE REVENUES
20 DIVIDED BY THE NUMBER OF QUALIFIED INDIVIDUALS EXPECTED TO CLAIM
21 A REFUND PURSUANT TO SECTION 39-22-2003 FOR THE INCOME TAX YEAR
22 COMMENCING ON JANUARY 1, 2023. THIS IS A REFUND OF EXCESS STATE
23 REVENUES FROM ALL SOURCES OF FISCAL YEAR SPENDING.

24 (3) (a) A QUALIFIED INDIVIDUAL FILING A SINGLE RETURN IS
25 ENTITLED TO ONE REFUND UNDER THIS SECTION AND TWO QUALIFIED
26 INDIVIDUALS FILING A JOINT RETURN ARE ENTITLED TO TWO REFUNDS
27 UNDER THIS SECTION.

1 (b) EXCEPT AS PROVIDED IN SUBSECTION (3)(C) OF THIS SECTION,
2 THE EXECUTIVE DIRECTOR SHALL ADMINISTER THE REFUND IN THIS
3 SECTION IN THE SAME MANNER AS THE REFUND SET FORTH IN SECTION
4 39-22-2003.

5 (c) NO LATER THAN TEN BUSINESS DAYS AFTER ENACTMENT OF
6 SENATE BILL 23B-003, ENACTED IN 2023, THE EXECUTIVE DIRECTOR
7 SHALL CALCULATE THE AMOUNT OF THE IDENTICAL INDIVIDUAL REFUND
8 CALCULATED PURSUANT TO SUBSECTION (2) OF THIS SECTION. FOR THIS
9 RECALCULATION ONLY, THE DEPARTMENT IS NOT REQUIRED TO NOTIFY THE
10 EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL, NOR SEEK REVIEW
11 OF ITS RECALCULATIONS AS REQUIRED IN SECTION 39-22-2002 (6).

12 (4) THE REFUND OF EXCESS STATE REVENUES FROM ALL SOURCES
13 ALLOWED UNDER THIS SECTION IS A REASONABLE METHOD OF REFUNDING
14 A PORTION OF THE EXCESS STATE REVENUES REQUIRED TO BE REFUNDED
15 IN ACCORDANCE WITH SECTION 20 (7)(d) OF ARTICLE X OF THE STATE
16 CONSTITUTION.

17 (5) THE REFUND OF EXCESS STATE REVENUE FROM ALL SOURCES
18 ALLOWED TO ANY QUALIFIED INDIVIDUAL UNDER THIS SECTION SHALL NOT
19 BE REPORTED BY THE DEPARTMENT OF REVENUE AS A PAYMENT OF A
20 REFUND, CREDIT, OR OFFSET OF STATE INCOME TAXES TO THE QUALIFIED
21 INDIVIDUAL IN ANY INFORMATION RETURN REQUIRED TO BE FILED
22 PURSUANT TO FEDERAL LAW.

23 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

24 **SECTION 2. Safety clause.** The general assembly finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.