

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0543.01 Jason Gelender x4330

SENATE BILL 24-016

SENATE SPONSORSHIP

Zenzinger and Smallwood, Buckner, Cutter, Exum, Ginal, Hinrichsen, Marchman,
Michaelson Jenet, Priola, Winter F.

HOUSE SPONSORSHIP

Snyder,

Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING QUALIFICATION FOR STATE INCOME TAX CREDITS FOR**
102 **CHARITABLE CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS,**
103 **AND, IN CONNECTION THEREWITH, AUTHORIZING A TAXPAYER**
104 **TO MAKE A CHARITABLE CONTRIBUTION FOR WHICH THE**
105 **TAXPAYER MAY CLAIM A STATE INCOME TAX CREDIT TO A**
106 **CHARITABLE RECIPIENT ORGANIZATION THROUGH A QUALIFIED**
107 **INTERMEDIARY THAT FORWARDS THE CONTRIBUTION TO THE**
108 **CHARITABLE RECIPIENT ORGANIZATION, ALLOWING A TAX**
109 **CREDIT CERTIFICATE FOR THE COLORADO HOMELESS**
110 **CONTRIBUTION TAX CREDIT TO INCLUDE ONLY THE LAST FOUR**
111 **DIGITS, RATHER THAN ALL DIGITS, OF A TAXPAYER'S SOCIAL**
112 **SECURITY NUMBER, AND MAKING AN APPROPRIATION.**

*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
March 13, 2024

SENATE
Amended 2nd Reading
March 12, 2024

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>.)

A qualified intermediary is a charitable organization that collects charitable contributions from donors and forwards the contributions to charitable recipient organizations. The bill authorizes a taxpayer to make a charitable contribution for which the taxpayer may claim a state income tax credit to a charitable recipient organization through a qualified intermediary that forwards the contribution to the charitable recipient organization, rather than making the contribution directly to the charitable recipient organization, without losing the right to claim the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-548, **amend**
3 (3)(c) and (5)(f)(I) as follows:

4 **39-22-548. Colorado homeless contribution tax credit -**
5 **legislative declaration - definitions - repeal.** (3) (c) The approved
6 nonprofit organization that receives the allowable contribution shall issue
7 a tax credit certificate to each taxpayer that makes an allowable
8 contribution pursuant to subsections (3)(a) or (3)(b) of this section; except
9 that the approved nonprofit organization shall not issue tax credit
10 certificates that total more than seven hundred fifty thousand dollars per
11 income tax year, and if the approved nonprofit organization administers
12 one or more approved projects, in addition to providing a qualifying
13 service, then the approved nonprofit organization shall not issue tax credit
14 certificates for allowable contributions to one or more approved projects
15 that total more than an additional seven hundred fifty thousand dollars per
16 income tax year. The tax credit certificate must state the amount of the

1 allowable contribution, the taxpayer's name, the LAST FOUR DIGITS OF THE
2 taxpayer's social security number or THE TAXPAYER'S FULL federal
3 employer identification number, the type of the contribution, the date the
4 taxpayer made the contribution, the amount of the tax credit that is
5 authorized for that taxpayer, and any other information that the executive
6 director of the department of revenue may require. Tax credit certificates
7 shall be issued in the order of received allowable contributions.

8 (5) (f) (I) No later than ~~February 15, 2023~~ JUNE 30, 2025, the
9 division shall complete a review of every organization and project
10 deemed approved under subsection (5)(a)(II) of this section, and no later
11 than ~~February 15, 2024~~ JUNE 30, 2026, and ~~February 15~~ JUNE 30 of each
12 year thereafter, the division shall complete a review of every other
13 approved nonprofit organization and approved project to evaluate
14 performance and compliance with the requirements of this section. The
15 division must review the qualifying activities being provided and
16 determine how the activities are addressing current and emerging needs
17 of individuals and families experiencing homelessness in each approved
18 nonprofit organization's community, or, if applicable, each approved
19 project's community.

20 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-630 as
21 follows:

22 **39-22-630. Charitable contributions made through qualified**
23 **intermediaries - eligibility for income tax credits maintained -**
24 **definitions.** (1) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
25 JANUARY 1, 2024, A TAXPAYER MAY CLAIM A CREDIT FOR MAKING A
26 CONTRIBUTION TO A QUALIFIED INTERMEDIARY TO THE SAME EXTENT
27 THAT THE TAXPAYER COULD CLAIM A CREDIT FOR MAKING THE

1 CONTRIBUTION DIRECTLY TO A RECIPIENT ORGANIZATION SO LONG AS THE
2 RECIPIENT ORGANIZATION IS APPROVED OR CERTIFIED, TO THE EXTENT
3 REQUIRED AND IN ACCORDANCE WITH THE PROCESS REQUIRED BY THE LAW
4 AUTHORIZING THE CREDIT, AS MEETING THE CRITERIA REQUIRED TO
5 RECEIVE SUCH A DIRECT CONTRIBUTION. NOTHING IN THIS SUBSECTION (1)
6 MODIFIES OR ELIMINATES ANY OBLIGATION OF A RECIPIENT
7 ORGANIZATION, AS SET FORTH IN A STATE LAW, RULE, OR AGENCY
8 GUIDELINE, TO ISSUE TAX CREDIT CERTIFICATES, COLLECT INFORMATION
9 FROM DONORS, PROVIDE INFORMATION TO THE DEPARTMENT OF REVENUE
10 OR ANY OTHER STATE AGENCY, OR TAKE ANY OTHER ACTION NECESSARY
11 FOR THE PROPER ADMINISTRATION OF A CREDIT.

12 (2) AS USED IN THIS SECTION:

13 (a) "CREDIT" MEANS ANY CREDIT AGAINST THE TAXES IMPOSED
14 PURSUANT TO THIS ARTICLE 22 OR ARTICLE 30 OF THIS TITLE THAT IS
15 AUTHORIZED BY LAW.

16 (b) "QUALIFIED INTERMEDIARY" MEANS AN ORGANIZATION THAT
17 HAS ATTAINED TAX EXEMPT STATUS UNDER SECTION 501 (c)(3) OF THE
18 INTERNAL REVENUE CODE. IF THE ORGANIZATION IS OBLIGATED, EXCEPT
19 WHEN EXERCISING VARIANCE POWER AS REQUIRED OR AUTHORIZED BY
20 LAW OR FEDERAL REGULATIONS, TO DISBURSE CONTRIBUTIONS RECEIVED
21 FROM A TAXPAYER TO A RECIPIENT ORGANIZATION AS DIRECTED BY THE
22 TAXPAYER.

23 (c) "RECIPIENT ORGANIZATION" MEANS AN ORGANIZATION THAT
24 HAS ATTAINED TAX EXEMPT STATUS UNDER SECTION 501 (c)(3) OF THE
25 INTERNAL REVENUE CODE. AND INCLUDES ANY PROGRAM OR PROJECT OF
26 THE ORGANIZATION TO WHICH A TAXPAYER MAY MAKE A CONTRIBUTION
27 FOR WHICH THE TAXPAYER MAY CLAIM A CREDIT.

1 **SECTION 3. Appropriation.** (1) For the 2024-25 state fiscal
2 year, \$108,937 is appropriated to the department of revenue for use by the
3 taxation business group. This appropriation is from the general fund. To
4 implement this act, the division may use this appropriation as follows:

5 (a) \$93,549 for personal services related to taxation services,
6 which amount is based on an assumption that the division will require an
7 additional 1.6 FTE; and

8 (b) \$15,388 for operating expenses related to taxation services.

9 (2) For the 2024-25 state fiscal year, \$5,000 is appropriated to the
10 department of local affairs. This appropriation is from the general fund.
11 To implement this act, the department may use this appropriation for
12 payments to OIT.

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