

Second Regular 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. 24-0944.01 Jessica Herrera x4218

**HOUSE BILL 24-1312**

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**HOUSE SPONSORSHIP**

**Sirota and Garcia,**

**SENATE SPONSORSHIP**

**Rodriguez,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING A STATE INCOME TAX CREDIT FOR INDIVIDUALS IN THE**  
102 **CARE WORKFORCE, AND, IN CONNECTION THEREWITH, MAKING**  
103 **AN APPROPRIATION.**

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**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>.)*

The bill creates a refundable income tax credit that is available for income tax years commencing on or after January 1, 2024, but prior to January 1, 2029, for a qualifying resident individual (individual) working in the care workforce in the amount of \$1,500.

To be eligible for the credit, an individual must:

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.*

HOUSE  
Amended 2nd Reading  
April 29, 2024

- Have an annual gross income of no more than \$75,000 as a single filer or \$150,000 as a joint filer;
- Be employed in the care workforce as a child care worker, home health-care worker, personal care aide, certified nursing assistant, or other qualifying personal care worker including a family member, friend, and neighbor who provides care; and
- File a signed attestation stating that the taxpayer claiming the credit worked in a qualifying occupation in the state for at least 6 months of the tax year.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-560 as  
3 follows:

4 **39-22-560. Qualified care worker tax credit - tax preference**  
5 **performance statement - legislative declaration - definitions - repeal.**

6 (1) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES  
7 EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX  
8 PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
9 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY DECLARES THAT THE  
10 GENERAL LEGISLATIVE PURPOSE OF THE TAX CREDIT ALLOWED BY THIS  
11 SECTION IS TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR  
12 INDIVIDUALS AND THAT THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX  
13 CREDIT ALLOWED BY THIS SECTION IS TO PROVIDE TAX RELIEF TO  
14 INDIVIDUALS WORKING IN THE CARE WORKFORCE PROVIDING DIRECT CARE.

15 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
16 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE  
17 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE NUMBER  
18 AND VALUE OF CREDITS THAT ARE CLAIMED.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
20 REQUIRES:

1 (a) "CHILD CARE WORKER" MEANS A RESIDENT INDIVIDUAL WHO  
2 IS REGISTERED WITH THE DEPARTMENT OF EARLY CHILDHOOD'S COLORADO  
3 SHINES PROFESSIONAL DEVELOPMENT INFORMATION SYSTEM, OR A  
4 SUCCESSOR SYSTEM, AND WHO PROVIDES CARE FOR AT LEAST SEVEN  
5 HUNDRED TWENTY HOURS DURING THE INCOME TAX YEAR AS:

6 (I) A LICENSEE AND OPERATOR OF AN ELIGIBLE PROGRAM IN THIS  
7 STATE;

8 (II) AN EMPLOYEE OF AN ELIGIBLE PROGRAM IN THIS STATE; OR

9 (III) AN INFORMAL FAMILY FRIEND OR NEIGHBOR CHILD CARE  
10 WORKER IN THIS STATE.

11 (b) "CONSUMER-DIRECTED CARE EMPLOYER" MEANS A PERSON  
12 RECEIVING CARE PURSUANT TO PART 11 AND PART 19 OF ARTICLE 6 OF  
13 TITLE 25.5 WHO EMPLOYS A DIRECT CARE WORKER.

14 (c) "CERTIFIED HOME CARE AGENCY" HAS THE SAME MEANING AS  
15 SET FORTH IN SECTION 25-27.5-102 (1).

16 (d) "CERTIFIED NURSE AIDE" MEANS A PERSON CERTIFIED BY THE  
17 STATE BOARD OF NURSING PURSUANT TO PART 2 OF ARTICLE 255 OF TITLE  
18 12.

19 (e) "DIRECT CARE WORKER" MEANS A RESIDENT INDIVIDUAL WITH  
20 THE APPROPRIATE KNOWLEDGE, SKILLS, AND TRAINING WHO PROVIDES  
21 HANDS-ON CARE AND SERVICES, INCLUDING PERSONAL CARE, TO  
22 PARTICIPANTS RECEIVING LONG-TERM CARE IN THIS STATE. "DIRECT CARE  
23 WORKER" DOES NOT INCLUDE A CERTIFIED NURSE AIDE.

24 (f) "ELIGIBLE PROGRAM" MEANS A LICENSED EARLY CHILDHOOD  
25 EDUCATION PROGRAM OR A LICENSED FAMILY CHILD CARE HOME.  
26 "ELIGIBLE PROGRAM" INCLUDES ONLY THOSE LICENSED EARLY CHILDHOOD  
27 EDUCATION PROGRAMS AND LICENSED FAMILY CHILD CARE HOMES WITH

1 AT LEAST A LEVEL ONE QUALITY RATING PURSUANT TO THE COLORADO  
2 SHINES QUALITY RATING AND IMPROVEMENT SYSTEM CREATED IN SECTION  
3 26.5-5-101 FOR THE ENTIRE INCOME TAX YEAR, OR THAT PORTION OF THE  
4 INCOME TAX YEAR FOR WHICH THE LICENSED EARLY CHILDHOOD  
5 EDUCATION PROGRAM OR LICENSED FAMILY CHILD CARE HOME WAS  
6 LICENSED.

7 (g) "EMPLOYEE" HAS THE SAME MEANING AS SET FORTH IN  
8 SECTION 39-22-604 (2)(a).

9 (h) "EMPLOYER" HAS THE SAME MEANING AS SET FORTH IN  
10 SECTION 39-22-604 (2)(b).

11 (i) "HOME- AND COMMUNITY-BASED SERVICES" MEANS ANY  
12 SERVICES PROVIDED IN THIS STATE PURSUANT TO PARTS 3 THROUGH 13 OR  
13 PART 19 OF ARTICLE 6 OF TITLE 25.5 OR SECTION 25.5-5-305.

14 (j) "INFORMAL FAMILY FRIEND OR NEIGHBOR CHILD CARE WORKER"  
15 MEANS AN INDIVIDUAL DESCRIBED IN SECTION 26.5-5-304 (1)(f) WHO  
16 PROVIDES CARE FOR CHILDREN OTHER THAN THEIR OWN WHO ARE FIVE  
17 YEARS OF AGE OR YOUNGER.

18 (k) "LICENSED EARLY CHILDHOOD EDUCATION PROGRAM" MEANS  
19 AN EARLY CHILDHOOD EDUCATION PROGRAM, AS DEFINED IN SECTION  
20 26.5-2-202 (3), THAT HELD A VALID LICENSE ISSUED PURSUANT TO PART  
21 3 OF ARTICLE 5 OF TITLE 26.5 FOR AT LEAST SIX MONTHS DURING THE  
22 INCOME TAX YEAR.

23 (l) "LICENSED FAMILY CHILD CARE HOME" MEANS A FAMILY CHILD  
24 CARE HOME, AS DEFINED IN SECTION 26.5-5-303 (7), THAT HELD A VALID  
25 LICENSE ISSUED PURSUANT TO PART 3 OF ARTICLE 5 OF TITLE 26.5 FOR AT  
26 LEAST SIX MONTHS DURING THE INCOME TAX YEAR.

27 (m) "LONG-TERM CARE" MEANS:

- 1 (I) HOME- AND COMMUNITY-BASED SERVICES;
- 2 (II) CARE PROVIDED AT A NURSING FACILITY; AND
- 3 (III) CARE PROVIDED BY A CERTIFIED HOME CARE AGENCY.

4 (n) "LONG-TERM CARE EMPLOYER" MEANS AN EMPLOYER WHO  
5 EMPLOYS ONE OR MORE DIRECT CARE WORKERS TO PROVIDE LONG-TERM  
6 CARE IN THIS STATE. "LONG-TERM CARE EMPLOYER" INCLUDES A  
7 CONSUMER-DIRECTED CARE EMPLOYER.

8 (o) "NURSING FACILITY" HAS THE SAME MEANING AS SET FORTH IN  
9 SECTION 25.5-4-103 (14).

10 (p) "QUALIFIED DIRECT CARE WORKER" MEANS A DIRECT CARE  
11 WORKER WHO IS AN EMPLOYEE OF ONE OR MORE LONG-TERM CARE  
12 EMPLOYERS FOR AT LEAST SEVEN HUNDRED TWENTY HOURS IN TOTAL  
13 DURING THE TAX YEAR.



15 (3) (a) SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBSECTION  
16 (3)(b) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR  
17 AFTER JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2029, EACH CHILD CARE  
18 WORKER AND QUALIFIED DIRECT CARE WORKER IS ALLOWED A CREDIT  
19 AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN THE AMOUNT  
20 OF ONE THOUSAND TWO HUNDRED DOLLARS. IN THE CASE OF A CHILD CARE  
21 WORKER OR QUALIFIED DIRECT CARE WORKER WHO FILES A JOINT RETURN  
22 WITH ANOTHER RESIDENT INDIVIDUAL WHO IS ALSO A CHILD CARE WORKER  
23 OR A QUALIFIED DIRECT CARE WORKER, THE CREDIT ALLOWED BY THIS  
24 SUBSECTION (3)(a) IS TWO THOUSAND FOUR HUNDRED DOLLARS.

25 (b) (I) THE CREDIT ALLOWED BY THIS SECTION IS NOT ALLOWED TO  
26 A RESIDENT INDIVIDUAL WHOSE ADJUSTED GROSS INCOME EXCEEDS:

27 (A) IN THE CASE OF A RESIDENT INDIVIDUAL WHO FILES A SINGLE

1 RETURN, SEVENTY-FIVE THOUSAND DOLLARS; AND

2 (B) IN THE CASE OF TWO RESIDENT INDIVIDUALS WHO FILE A JOINT  
3 RETURN, ONE HUNDRED THOUSAND DOLLARS.

4 (II) THE LIMIT SET FORTH IN SUBSECTION (3)(b)(I)(B) OF THIS  
5 SECTION APPLIES TO A JOINT RETURN REGARDLESS OF WHETHER ONE OR  
6 BOTH RESIDENT INDIVIDUALS ARE CHILD CARE WORKERS OR QUALIFIED  
7 DIRECT CARE WORKERS.

8 (III) A RESIDENT INDIVIDUAL WHO IS BOTH A CHILD CARE WORKER  
9 AND A QUALIFIED DIRECT CARE WORKER IS NOT ALLOWED AN ADDITIONAL  
10 CREDIT PURSUANT TO THIS SECTION ON ACCOUNT OF SUCH DUAL  
11 QUALIFICATION.

12 (IV) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT  
13 ALLOWED BY THIS SECTION IS APPORTIONED IN THE RATIO DETERMINED IN  
14 SECTION 39-22-110 (1).

15 (4) (a) ON OR BEFORE SEPTEMBER 30, 2025, AND EACH SEPTEMBER  
16 30 THEREAFTER, THE DEPARTMENT OF HEALTH CARE POLICY AND  
17 FINANCING SHALL PROVIDE THE DEPARTMENT OF REVENUE AN ELECTRONIC  
18 REPORT OF THE NAME AND FEDERAL EMPLOYER IDENTIFICATION NUMBER  
19 OF EVERY LONG-TERM CARE EMPLOYER PROVIDING SERVICES IN THIS  
20 STATE DURING THE CALENDAR YEAR.

21 (b) ON OR BEFORE JANUARY 31, 2026, AND EACH JANUARY 31  
22 THEREAFTER, THE DEPARTMENT OF EARLY CHILDHOOD SHALL PROVIDE  
23 THE DEPARTMENT OF REVENUE WITH AN ELECTRONIC REPORT OF CHILD  
24 CARE WORKERS ELIGIBLE FOR THE CREDIT ALLOWED BY THIS SECTION FOR  
25 THE PRECEDING CALENDAR YEAR.

26 (5) (a) ON OR BEFORE JANUARY 31, 2026, AND EACH JANUARY 31  
27 THEREAFTER, EVERY LONG-TERM CARE EMPLOYER THAT EMPLOYED ONE

1 OR MORE DIRECT CARE WORKERS SHALL MAKE AN INFORMATION RETURN  
2 TO THE EXECUTIVE DIRECTOR FOR THE PRECEDING CALENDAR YEAR. THE  
3 RETURN MUST INCLUDE EACH DIRECT CARE WORKER'S SOCIAL SECURITY  
4 NUMBER OR INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER, THE TOTAL  
5 HOURS THE DIRECT CARE WORKER WORKED AS SUCH DURING THE  
6 CALENDAR YEAR, AND ANY OTHER INFORMATION THE EXECUTIVE  
7 DIRECTOR MAY REQUIRE. THE LONG-TERM CARE EMPLOYER SHALL REPORT  
8 ONLY THOSE EMPLOYEES WHO ARE DIRECT CARE WORKERS AS DEFINED IN  
9 THIS SECTION.

10 (b) THE RETURN REQUIRED BY THIS SUBSECTION (5) MUST BE FILED  
11 ELECTRONICALLY ON OR BEFORE JANUARY 31 IN ADDITION TO THE RETURN  
12 REQUIRED BY SECTION 39-22-604 (6). THE EXECUTIVE DIRECTOR SHALL  
13 IMPOSE A PENALTY OF FIVE HUNDRED DOLLARS IF THE LONG-TERM CARE  
14 EMPLOYER FAILS TO FILE THE RETURN REQUIRED BY THIS SUBSECTION (5)  
15 ON OR BEFORE JANUARY 31, UNLESS SHOWN TO HAVE BEEN DUE TO  
16 REASONABLE CAUSE, OR WILLFULLY FILES A FALSE OR FRAUDULENT  
17 RETURN, WHICH PENALTY IS IN ADDITION TO ANY CRIMINAL PENALTY  
18 OTHERWISE PROVIDED FOR FAILURE TO FILE A RETURN OR FOR FILING A  
19 FALSE OR FRAUDULENT RETURN. THE EXECUTIVE DIRECTOR SHALL ASSESS  
20 AND COLLECT THE PENALTY IMPOSED BY THIS SUBSECTION (5)(b) IN THE  
21 SAME MANNER AS AN UNDERPAYMENT OF THE TAX IMPOSED BY THIS  
22 ARTICLE 22.

23 (c) IN THE CASE OF A CONSUMER-DIRECTED CARE EMPLOYER, THE  
24 DEPARTMENT OF HEALTHCARE POLICY AND FINANCING, OR THE  
25 DEPARTMENT'S FISCAL AGENT, SHALL FILE THE RETURN REQUIRED BY THIS  
26 SUBSECTION (5).

27 (6) IF THE CREDIT ALLOWED BY THIS SECTION EXCEEDS THE

1 INCOME TAX IMPOSED BY THIS ARTICLE 22, THE EXCESS CREDIT MAY NOT  
2 BE CARRIED FORWARD AND IS REFUNDED TO THE TAXPAYER.

3 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2034.

4 **SECTION 2.** In Colorado Revised Statutes, 39-21-119.5, **amend**  
5 (4)(k) and (4)(l); and **add** (4)(m) as follows:

6 **39-21-119.5. Mandatory electronic filing of returns -**  
7 **mandatory electronic payment - penalty - waiver - definitions.**

8 (4) Except as provided in subsection (6) of this section, on and  
9 after August 2, 2019, electronic filing of returns and the payment of any  
10 tax or fee by electronic funds transfer is required for the following:

11 (k) Any clean fleet per ride fee and air pollution mitigation per  
12 ride fee return required to be filed and payment required pursuant to  
13 section 40-10.1-607.5; and

14 (l) Any quarterly report for the advance payment of an income tax  
15 credit required to be filed pursuant to section 39-22-629 (2)(b); AND

16 (m) THE INFORMATION RETURN FROM LONG-TERM CARE  
17 EMPLOYERS REQUIRED TO BE FILED PURSUANT TO SECTION 39-22-560 (5).

18 **SECTION 3. Appropriation.** (1) For the 2024-25 state fiscal  
19 year, \$47,193 is appropriated to the department of early childhood for use  
20 by the division of licensing and administration. This appropriation is from  
21 the general fund. To implement this act, the division may use this  
22 appropriation as follows:

23 (a) \$10,943 for personal services, which amount is based on an  
24 assumption that the division will require an additional 0.2 FTE; and

25 (b) \$36,250 for operating expenses.

26 ■ ■

27 **SECTION 4. Act subject to petition - effective date.** This act



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