

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 24-0944.01 Jessica Herrera x4218

HOUSE BILL 24-1312

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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.**

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
3rd Reading Unamended
April 30, 2024

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.

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.