

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0501.05 Jessica Herrera x4218

HOUSE BILL 24-1340

HOUSE SPONSORSHIP

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House Committees
Education

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF INCENTIVES AGAINST THE STATE
102 INCOME TAX FOR STUDENTS PURSUING POST-SECONDARY
103 CREDENTIALS.

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 2 separate state income tax incentives (incentives) to encourage enrollment in institutions of higher education. For income tax years commencing on or after January 1, 2024, but prior to January 1, 2030, the first incentive is available to a graduate of any Colorado institution of higher education with a credential required or supported by

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.

certain jobs identified by the 2023 Colorado talent pipeline report, defined by the bill as "top jobs", in the amount of \$250 for the completion of a qualified program less than one year in duration, \$500 for the completion of a qualified program between one year and 2 years in duration, \$1,500 for graduates of an associate's degree program, and \$3,000 for graduates of a bachelor's degree program.

For income tax years commencing on or after January 1, 2026, but prior to January 1, 2030, the second incentive is available to an eligible transfer student attending a 4-year Colorado institution of higher education, in the amount of \$50 per credit hour transferred from either a 2-year Colorado institution of higher education or earned while under certain enrollment status in high school. The incentive is capped at 60 credit hours or \$3,000 and may only be awarded after the student completes at least 15 credits at the 4-year Colorado institution of higher education.

Notwithstanding the incentive amounts otherwise allowed for both incentives, if the revenue forecast prepared by either legislative council staff or the office of state planning and budgeting in June of any income tax year for which an incentive is allowed projects that the amount of excess state revenues for the state fiscal year that ends during the income tax year will be:

- At least \$500 million but no more than \$750 million, the amount of the incentive allowed is reduced by fifty percent for that income tax year.
- Less than \$500 million, the incentive is not allowed for that income 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 and
3 39-22-561 as follows:

4 **39-22-560. Top jobs tax credit for qualifying student**
5 **graduates - tax preference performance statement - legislative**
6 **declaration - definitions - repeal.** (1) (a) THE GENERAL ASSEMBLY
7 FINDS, DETERMINES, AND DECLARES THAT:

8 (I) IT IS VITAL TO THE WELL-BEING, QUALITY OF LIFE, AND
9 ECONOMIC DEVELOPMENT OF THE STATE THAT THERE EXISTS A
10 WORKFORCE AND TALENT PIPELINE FOR THE JOBS MOST IN DEMAND;

1 (II) THE GENERAL ASSEMBLY INTENDS THAT THE INCENTIVE
2 CREATED IN THIS SECTION BE USED TO PROVIDE FINANCIAL INCENTIVES TO
3 ENCOURAGE ENROLLMENT IN AND GRADUATION FROM COLORADO
4 INSTITUTIONS OF HIGHER EDUCATION BY STUDENTS WITH DEGREES THAT
5 SUPPORT THE TOP JOBS EXPECTED TO BE MOST IN DEMAND IN COLORADO
6 IN COMING YEARS;

7 (III) COLORADO CURRENTLY FACES LABOR SHORTAGES IN A
8 NUMBER OF INDUSTRIES CRITICAL TO THE HEALTH AND WELL-BEING OF
9 COLORADO RESIDENTS AND THE COLORADO ECONOMY, INCLUDING:

10 (A) LIFE, PHYSICAL, AND SOCIAL SCIENCES OCCUPATIONS SUCH AS
11 BIOLOGICAL TECHNICIANS, ENVIRONMENTAL SCIENTISTS, AND CLINICAL,
12 COUNSELING, AND SCHOOL PSYCHOLOGISTS;

13 (B) EDUCATION OCCUPATIONS SUCH AS ELEMENTARY, MIDDLE
14 SCHOOL, AND SECONDARY SCHOOL TEACHERS;

15 (C) HEALTH CARE OCCUPATIONS SUCH AS REGISTERED NURSES,
16 MASSAGE THERAPISTS, AND DENTAL ASSISTANTS; AND

17 (D) COMMUNITY AND SOCIAL SERVICES OCCUPATIONS SUCH AS
18 SUBSTANCE ABUSE, BEHAVIORAL DISORDER, AND MENTAL HEALTH
19 COUNSELORS, PARALEGALS AND LEGAL ASSISTANTS, AND CHILD, FAMILY,
20 AND SCHOOL SOCIAL WORKERS;

21 (IV) ACCORDING TO THE 2023 COLORADO TALENT PIPELINE
22 REPORT, PUBLISHED BY THE COLORADO WORKFORCE DEVELOPMENT
23 COUNCIL:

24 (A) COLORADO HISTORICALLY HAS HAD MORE OPEN JOBS THAN
25 AVAILABLE SKILLED TALENT;

26 (B) IN 2023, COLORADO HAD TWO JOB OPENINGS FOR EVERY
27 AVAILABLE WORKER; AND

1 (C) IN 2023, ABOUT SEVENTY-SEVEN PERCENT OF THE JOBS THAT
2 EARN ENOUGH TO SUPPORT A FAMILY OF TWO ADULTS AND ONE CHILD
3 REQUIRE A BACHELOR'S DEGREE;

4 (V) THE COST OF HIGHER EDUCATION AND STUDENT DEBT CAN BE
5 A DETERRENT FOR MANY STUDENTS TO PURSUE AND COMPLETE
6 CREDENTIALS, ESPECIALLY ASSOCIATE'S AND BACHELOR'S DEGREES; AND

7 (VI) THE CITIZENS OF COLORADO AND THE STATE HAVE SHOWN
8 THEIR SUPPORT FOR ALL COLORADANS, REGARDLESS OF INCOME, BY
9 ENACTING FULL-DAY KINDERGARTEN IN 2019 AND UNIVERSAL PRESCHOOL
10 IN 2023, BOTH OF WHICH ESTABLISHED FOUNDATIONAL EDUCATIONAL
11 OPPORTUNITIES FOR ALL. IN ORDER TO CONTINUE TO STRENGTHEN THE
12 EDUCATIONAL PIPELINE AND MEET COLORADO'S WORKFORCE DEMAND,
13 FINANCIAL INCENTIVES SHOULD ALSO BE PROVIDED TO ALL
14 POST-SECONDARY COLORADO STUDENTS, REGARDLESS OF FAMILY
15 INCOME.

16 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
17 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
18 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
19 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
20 DECLARES THAT THE GENERAL LEGISLATIVE PURPOSES OF THIS TAX
21 EXPENDITURE ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY
22 TAXPAYERS, CREATE OR RETAIN JOBS, AND PROVIDE TAX RELIEF FOR
23 CERTAIN INDIVIDUALS. SPECIFICALLY, THIS TAX EXPENDITURE IS
24 INTENDED TO ENCOURAGE ENROLLMENT IN AND GRADUATION FROM
25 PROGRAMS THAT SUPPORT EMPLOYMENT IN TOP COLORADO JOBS
26 EXPECTED TO BE MOST IN DEMAND.

27 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL

1 MEASURE THE EFFECTIVENESS OF THE INCENTIVE IN ACHIEVING THE
2 PURPOSE SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION BASED ON THE
3 NUMBER OF GRADUATES FROM DEGREE PROGRAMS SUPPORTING TOP JOBS
4 AND THE NUMBER OF INCENTIVES THAT ARE CLAIMED.

5 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "COLORADO INSTITUTION OF HIGHER EDUCATION" MEANS:

8 (I) A PUBLIC POST-SECONDARY INSTITUTION THAT IS GOVERNED BY
9 THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY
10 SYSTEM; THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO; THE
11 BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES; THE BOARD OF
12 TRUSTEES OF THE UNIVERSITY OF NORTHERN COLORADO; THE BOARD OF
13 TRUSTEES OF ADAMS STATE UNIVERSITY; THE BOARD OF TRUSTEES OF
14 WESTERN COLORADO UNIVERSITY; THE BOARD OF TRUSTEES OF
15 COLORADO MESA UNIVERSITY; THE BOARD OF TRUSTEES FOR FORT LEWIS
16 COLLEGE; THE BOARD OF TRUSTEES FOR METROPOLITAN STATE
17 UNIVERSITY OF DENVER; OR THE STATE BOARD FOR COMMUNITY
18 COLLEGES AND OCCUPATIONAL EDUCATION;

19 (II) A PRIVATE INSTITUTION OF HIGHER EDUCATION THAT ENTERS
20 INTO A PERFORMANCE CONTRACT WITH THE DEPARTMENT PURSUANT TO
21 SECTION 23-18-201 (2) AND AGREES TO PARTICIPATE IN THE PROGRAM;

22 (III) COLORADO MOUNTAIN COLLEGE AND AIMS COMMUNITY
23 COLLEGE; AND

24 (IV) AN AREA TECHNICAL COLLEGE, AS DEFINED IN SECTION
25 23-60-103 (1).

26 (b) "CREDENTIAL" MEANS A COMPLETED QUALIFIED PROGRAM OF
27 STUDY OF LESS THAN ONE YEAR IN DURATION OR OF ONE TO TWO YEARS IN

1 DURATION AND AN ASSOCIATE'S DEGREE OR BACHELOR'S DEGREE THAT IS
2 IDENTIFIED IN THE CROSSWALK PURSUANT TO SUBSECTION (5)(b) OF THIS
3 SECTION.

4 (c) "EXCESS STATE REVENUES" MEANS, FOR ANY GIVEN STATE
5 FISCAL YEAR, THE AMOUNT OF STATE REVENUES, AS DEFINED IN SECTION
6 24-77-103.6 (6)(c), THAT EXCEEDS THE EXCESS STATE REVENUES CAP, AS
7 DEFINED IN SECTION 24-77-103.6 (6)(b).

8 (d) "INCENTIVE" MEANS A REFUNDABLE CREDIT AGAINST THE
9 INCOME TAXES IMPOSED BY THIS ARTICLE 22 PROVIDED TO QUALIFYING
10 TAXPAYERS.

11 (e) "QUALIFYING STUDENT GRADUATE" MEANS A GRADUATE OF
12 ANY COLORADO INSTITUTION OF HIGHER EDUCATION WITH A CREDENTIAL
13 REQUIRED BY OR SUPPORTING A TOP JOB.

14 (f) "TAXPAYER" MEANS A QUALIFYING STUDENT GRADUATE OR
15 INDIVIDUAL CLAIMING A QUALIFYING STUDENT GRADUATE AS A
16 DEPENDENT WHO FILES AN INCOME TAX RETURN PURSUANT TO THIS
17 ARTICLE 22.

18 (g) "TOP JOB" MEANS A JOB IDENTIFIED IN TABLE 2 ON PAGES 23
19 THROUGH 26 OF THE 2023 COLORADO TALENT PIPELINE REPORT PREPARED
20 IN ACCORDANCE WITH SECTION 24-46.3-103 (3).

21 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
22 1, 2024, BUT PRIOR TO JANUARY 1, 2030, AND SUBJECT TO THE
23 LIMITATIONS SET FORTH IN SUBSECTION (3.5) OF THIS SECTION AND THE
24 REQUIREMENTS OF SUBSECTION (4) OF THIS SECTION, A TAXPAYER IS
25 ALLOWED AN INCENTIVE AGAINST THE INCOME TAXES IMPOSED BY THIS
26 ARTICLE 22 IN AN AMOUNT EQUAL TO:

27 (a) TWO HUNDRED FIFTY DOLLARS FOR A QUALIFIED

- 1 CERTIFICATION PROGRAM THAT IS LESS THAN ONE YEAR IN DURATION;
2 (b) FIVE HUNDRED DOLLARS FOR A QUALIFIED CERTIFICATION
3 PROGRAM THAT IS BETWEEN ONE YEAR AND TWO YEARS IN DURATION;
4 (c) ONE THOUSAND FIVE HUNDRED DOLLARS FOR A QUALIFYING
5 STUDENT GRADUATE OF AN ASSOCIATE'S DEGREE PROGRAM; OR
6 (d) THREE THOUSAND DOLLARS FOR A QUALIFYING STUDENT
7 GRADUATE OF A BACHELOR'S DEGREE PROGRAM.

8 (3.5) IF THE REVENUE FORECAST PREPARED BY EITHER
9 LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF STATE PLANNING AND
10 BUDGETING IN JUNE OF ANY INCOME TAX YEAR FOR WHICH AN INCENTIVE
11 IS ALLOWED PURSUANT TO SUBSECTION (3) OF THIS SECTION PROJECTS
12 THAT THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE FISCAL
13 YEAR THAT ENDS DURING THE INCOME TAX YEAR WILL BE:

14 (a) AT LEAST FIVE HUNDRED MILLION DOLLARS BUT NO MORE
15 THAN SEVEN HUNDRED FIFTY MILLION DOLLARS, THE AMOUNT OF THE
16 INCENTIVE ALLOWED IS REDUCED BY FIFTY PERCENT FOR THAT INCOME
17 TAX YEAR.

18 (b) LESS THAN FIVE HUNDRED MILLION DOLLARS, THE INCENTIVE
19 IS NOT ALLOWED FOR THAT INCOME TAX YEAR.

20 (4) TO QUALIFY FOR THE INCENTIVE PROVIDED BY THIS SECTION:

21 (a) THE QUALIFYING STUDENT GRADUATE MUST HAVE COMPLETED
22 THE QUALIFYING STUDENT GRADUATE'S CREDENTIAL DURING THE INCOME
23 TAX YEAR FOR WHICH THE INCENTIVE IS CLAIMED OR THE PRIOR CALENDAR
24 YEAR; AND

25 (b) THE TAXPAYER MUST SUBMIT A CERTIFICATION FORM PROVING
26 ELIGIBILITY PROVIDED BY THE COLORADO INSTITUTION OF HIGHER
27 EDUCATION GRANTING THE CREDENTIAL TO THE COLORADO DEPARTMENT

1 OF REVENUE.

2 (5) THE COLORADO DEPARTMENT OF HIGHER EDUCATION SHALL
3 COLLABORATE WITH THE COLORADO INSTITUTIONS OF HIGHER EDUCATION
4 TO:

5 (a) ESTABLISH METHODS TO IDENTIFY AND REPORT ANNUALLY ON
6 STUDENT GRADUATES;

7 (b) BY JULY 31, 2024, CREATE A LIST OF ELIGIBLE CREDENTIAL
8 PROGRAMS BY CREATING AN AGREED UPON CROSSWALK BETWEEN
9 CREDENTIAL STANDARD OCCUPATIONAL CLASSIFICATION CODES AND THE
10 NATIONAL CENTER FOR EDUCATION STATISTICS' CLASSIFICATION OF
11 INSTRUCTIONAL PROGRAMS THAT IS BASED ON THE 2023 COLORADO
12 TALENT PIPELINE REPORT PREPARED IN ACCORDANCE WITH SECTION
13 24-46.3-103 (3);

14 (c) DEVELOP STANDARD LANGUAGE FOR THE COLORADO
15 INSTITUTIONS OF HIGHER EDUCATION TO USE TO NOTIFY QUALIFYING
16 STUDENT GRADUATES THAT THEY ARE ELIGIBLE FOR THE INCENTIVE; AND

17 (d) CREATE A TEMPLATE FOR A CERTIFICATE OF ELIGIBILITY TO BE
18 PROVIDED TO QUALIFYING STUDENT GRADUATES BY THE COLORADO
19 INSTITUTIONS OF HIGHER EDUCATION.

20 (6) TO ASSIST THE STATE AUDITOR'S TAX EXPENDITURE
21 EVALUATION OF THE INCENTIVE UNDER SECTION 39-21-305 (1)(d), THE
22 COLORADO DEPARTMENT OF HIGHER EDUCATION SHALL PROVIDE TO THE
23 STATE AUDITOR AN ANNUAL REPORT ON THE NUMBER OF GRADUATES
24 FROM CREDENTIAL PROGRAMS SUPPORTING TOP JOBS.

25 (7) THE COLORADO DEPARTMENT OF HIGHER EDUCATION SHALL
26 PROVIDE A REPORT TO THE DEPARTMENT OF REVENUE WITH THE SOCIAL
27 SECURITY NUMBERS, INCENTIVE AMOUNTS, AND TAX YEARS OF ELIGIBILITY

1 FOR ALL STUDENT GRADUATES ENTITLED TO THE INCENTIVE ON OR BEFORE
2 NOVEMBER 1 OF EACH YEAR FOR STUDENT GRADUATES WHO COMPLETED
3 THEIR CREDENTIAL IN THE TWELVE MONTHS PRIOR. IF A SOCIAL SECURITY
4 NUMBER IS NOT AVAILABLE, THE COLORADO DEPARTMENT OF HIGHER
5 EDUCATION MUST PROVIDE STUDENT IDENTIFICATION NUMBERS FOR
6 STUDENT GRADUATES ENTITLED TO THE INCENTIVE.

7 (8) THE AMOUNT OF THE INCENTIVE ALLOWED UNDER THIS
8 SECTION THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED
9 TO THE TAXPAYER.

10 (9) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2032.

11 **39-22-561. Transfer and four-year college pathways tax credit**
12 **- tax preference performance statement - legislative declaration -**

13 **definitions - repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND
14 DECLARES THAT:

15 (I) THE STATE SHOULD CREATE A PATHWAY TO A FOUR-YEAR
16 DEGREE THAT INCENTIVIZES TRANSFERS AND OFFSETS THE COST OF THE
17 FOUR-YEAR DEGREE IN RECOGNITION OF CREDITS EARNED IN HIGH SCHOOL
18 OR COMMUNITY COLLEGE;

19 (II) IT IS VITAL TO THE WELL-BEING, QUALITY OF LIFE, AND
20 ECONOMIC DEVELOPMENT OF THE STATE THAT THERE EXISTS A
21 WORKFORCE THAT HAS ATTAINED A BACHELOR'S DEGREE OR HIGHER;

22 (III) ACCORDING TO THE 2023 COLORADO TALENT PIPELINE
23 REPORT PUBLISHED BY THE COLORADO WORKFORCE DEVELOPMENT
24 COUNCIL:

25 (A) COLORADO HISTORICALLY HAS HAD MORE OPEN JOBS THAN
26 AVAILABLE SKILLED TALENT;

27 (B) IN 2023, COLORADO HAD TWO JOB OPENINGS FOR EVERY

1 AVAILABLE WORKER;

2 (C) THE NUMBER OF EMPLOYERS SEEKING TO FILL ROLES
3 REQUIRING AT LEAST A BACHELOR'S DEGREE INCREASED TWENTY-TWO
4 PERCENT OVER THE PRIOR TWELVE MONTHS; AND

5 (D) THE MEDIAN SALARY ADVERTISED FOR INDIVIDUALS WITH A
6 BACHELOR'S DEGREE OR HIGHER IS ROUGHLY TWICE THE ANNUAL AMOUNT
7 RELATIVE TO POSTINGS REQUIRING A HIGH SCHOOL DIPLOMA OR
8 EQUIVALENT;

9 (IV) THE COST OF HIGHER EDUCATION AND STUDENT DEBT CAN BE
10 A DETERRENT FOR MANY STUDENTS TO PURSUE AND COMPLETE
11 ASSOCIATE'S AND BACHELOR'S DEGREES; AND

12 (V) OFFSETTING THE COST OF A FOUR-YEAR DEGREE ENCOURAGES
13 DEGREE COMPLETION, REDUCES STUDENT DEBT, AND PROVIDES INCENTIVE
14 FOR STUDENTS TO CONSIDER REENROLLING TO CONTINUE THEIR PROGRESS
15 TOWARD A BACHELOR'S DEGREE.

16 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
17 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
18 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
19 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
20 DECLARES THAT THE GENERAL LEGISLATIVE PURPOSES OF THIS TAX
21 EXPENDITURE ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY
22 TAXPAYERS AND PROVIDE TAX RELIEF FOR CERTAIN INDIVIDUALS.
23 SPECIFICALLY, THIS TAX EXPENDITURE IS INTENDED TO ENCOURAGE
24 COLLEGE STUDENTS TO COMPLETE CREDIT HOURS AT A COMMUNITY
25 COLLEGE OR IN HIGH SCHOOL BEFORE TRANSFERRING TO OR ENTERING
26 INTO A FOUR-YEAR INSTITUTION OF HIGHER EDUCATION.

27 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL

1 MEASURE THE EFFECTIVENESS OF THE INCENTIVE IN ACHIEVING THE
2 PURPOSE SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION BASED ON THE
3 NUMBER OF ELIGIBLE TRANSFER STUDENTS, DATA ON ENROLLMENT IN
4 TWO-YEAR AND FOUR-YEAR DEGREE PROGRAMS, AND THE NUMBER OF
5 INCENTIVES THAT ARE CLAIMED.

6 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
7 REQUIRES:

8 (a) "COLORADO INSTITUTION OF HIGHER EDUCATION" MEANS:

9 (I) A PUBLIC POST-SECONDARY INSTITUTION THAT IS GOVERNED BY
10 THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY
11 SYSTEM; THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO; THE
12 BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES; THE BOARD OF
13 TRUSTEES OF THE UNIVERSITY OF NORTHERN COLORADO; THE BOARD OF
14 TRUSTEES OF ADAMS STATE UNIVERSITY; THE BOARD OF TRUSTEES OF
15 WESTERN COLORADO UNIVERSITY; THE BOARD OF TRUSTEES OF
16 COLORADO MESA UNIVERSITY; THE BOARD OF TRUSTEES OF FORT LEWIS
17 COLLEGE; THE BOARD OF TRUSTEES OF METROPOLITAN STATE UNIVERSITY
18 OF DENVER; OR THE STATE BOARD FOR COMMUNITY COLLEGES AND
19 OCCUPATIONAL EDUCATION;

20 (II) A PRIVATE INSTITUTION OF HIGHER EDUCATION THAT ENTERS
21 INTO A PERFORMANCE CONTRACT WITH THE DEPARTMENT OF HIGHER
22 EDUCATION PURSUANT TO SECTION 23-18-201 (2) AND AGREES TO
23 PARTICIPATE IN THE PROGRAM; AND

24 (III) COLORADO MOUNTAIN COLLEGE AND AIMS COMMUNITY
25 COLLEGE.

26 (b) "ELIGIBLE TRANSFER STUDENT" MEANS:

27 (I) A STUDENT WHO TRANSFERS ANY NUMBER OF CREDIT HOURS

1 FROM A TWO-YEAR COLORADO INSTITUTION OF HIGHER EDUCATION TO A
2 FOUR-YEAR COLORADO INSTITUTION OF HIGHER EDUCATION AND
3 SUBSEQUENTLY COMPLETES AT LEAST FIFTEEN CREDIT HOURS AT THE
4 FOUR-YEAR COLORADO INSTITUTION OF HIGHER EDUCATION; OR

5 (II) A STUDENT WHO ENTERS INTO A FOUR-YEAR PROGRAM AS A
6 FIRST-TIME STUDENT WITH ANY NUMBER OF CREDIT HOURS EARNED FROM
7 CONCURRENT ENROLLMENT, AS DEFINED IN SECTION 22-35-103, DUAL
8 ENROLLMENT, ADVANCED PLACEMENT, INTERNATIONAL BACCALAUREATE
9 COURSES, OR OTHER COLLEGE EQUIVALENT COURSES COMPLETED WHILE
10 IN HIGH SCHOOL AND SUBSEQUENTLY COMPLETES AT LEAST FIFTEEN
11 CREDIT HOURS AT THE FOUR-YEAR COLORADO INSTITUTION OF HIGHER
12 EDUCATION.

13 (c) "EXCESS STATE REVENUES" MEANS, FOR ANY GIVEN STATE
14 FISCAL YEAR, THE AMOUNT OF STATE REVENUES, AS DEFINED IN SECTION
15 24-77-103.6 (6)(c), THAT EXCEEDS THE EXCESS STATE REVENUES CAP, AS
16 DEFINED IN SECTION 24-77-103.6 (6)(b).

17 (d) "INCENTIVE" MEANS A REFUNDABLE CREDIT AGAINST THE
18 INCOME TAXES IMPOSED BY THIS ARTICLE 22 PROVIDED TO QUALIFYING
19 TAXPAYERS.

20 (e) "TAXPAYER" MEANS AN ELIGIBLE TRANSFER STUDENT OR AN
21 INDIVIDUAL CLAIMING AN ELIGIBLE TRANSFER STUDENT AS A DEPENDENT
22 WHO FILES AN INCOME TAX RETURN PURSUANT TO THIS ARTICLE 22.

23 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
24 1, 2026, BUT PRIOR TO JANUARY 1, 2030, AND SUBJECT TO THE
25 LIMITATIONS SET FORTH IN SUBSECTION (3.5) OF THIS SECTION AND THE
26 REQUIREMENTS OF SUBSECTION (4) OF THIS SECTION, A TAXPAYER IS
27 ALLOWED AN INCENTIVE AGAINST THE INCOME TAXES IMPOSED BY THIS

1 ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY DOLLARS PER CREDIT HOUR
2 TRANSFERRED, UP TO A MAXIMUM OF SIXTY CREDIT HOURS, OR THREE
3 THOUSAND DOLLARS.

4 (3.5) IF THE REVENUE FORECAST PREPARED BY EITHER
5 LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF STATE PLANNING AND
6 BUDGETING IN JUNE OF ANY INCOME TAX YEAR FOR WHICH AN INCENTIVE
7 IS ALLOWED PURSUANT TO SUBSECTION (3) OF THIS SECTION PROJECTS
8 THAT THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE FISCAL
9 YEAR THAT ENDS DURING THE INCOME TAX YEAR WILL BE:

10 (a) AT LEAST FIVE HUNDRED MILLION DOLLARS BUT NO MORE
11 THAN SEVEN HUNDRED FIFTY MILLION DOLLARS, THE AMOUNT OF THE
12 INCENTIVE ALLOWED IS REDUCED BY FIFTY PERCENT FOR THAT INCOME
13 TAX YEAR.

14 (b) LESS THAN FIVE HUNDRED MILLION DOLLARS, THE INCENTIVE
15 IS NOT ALLOWED FOR THAT INCOME TAX YEAR.

16 (4) TO QUALIFY FOR THE INCENTIVE PROVIDED BY THIS SECTION:

17 (a) THE ELIGIBLE TRANSFER STUDENT MUST HAVE BECOME
18 ELIGIBLE FOR THE INCENTIVE DURING THE INCOME TAX YEAR FOR WHICH
19 THE INCENTIVE IS CLAIMED OR THE PRIOR INCOME TAX YEAR; AND

20 (b) THE TAXPAYER SHALL SUBMIT A CERTIFICATION FORM PROVING
21 ELIGIBILITY PROVIDED BY THE FOUR-YEAR COLORADO INSTITUTION OF
22 HIGHER EDUCATION TO THE COLORADO DEPARTMENT OF REVENUE.

23 (5) THE DEPARTMENT OF HIGHER EDUCATION SHALL COLLABORATE
24 WITH THE COLORADO INSTITUTIONS OF HIGHER EDUCATION TO:

25 (a) ESTABLISH METHODS TO IDENTIFY AND REPORT ANNUALLY ON
26 ALL ELIGIBLE TRANSFER STUDENTS;

27 (b) DEVELOP STANDARD LANGUAGE FOR THE COLORADO

1 INSTITUTIONS OF HIGHER EDUCATION TO USE TO NOTIFY ELIGIBLE
2 TRANSFER STUDENTS THAT THEY ARE ELIGIBLE FOR THE INCENTIVE; AND

3 (c) CREATE A TEMPLATE FOR A CERTIFICATE OF ELIGIBILITY TO BE
4 PROVIDED TO ELIGIBLE TRANSFER STUDENTS BY THE COLORADO
5 INSTITUTIONS OF HIGHER EDUCATION.

6 (6) TO ASSIST THE STATE AUDITOR'S TAX EXPENDITURE
7 EVALUATION OF THE INCENTIVE PURSUANT TO SECTION 39-21-305 (1)(d),
8 THE COLORADO DEPARTMENT OF HIGHER EDUCATION SHALL PRODUCE A
9 REPORT OF THE NUMBER OF ELIGIBLE TRANSFER STUDENTS.

10 (7) THE COLORADO DEPARTMENT OF HIGHER EDUCATION SHALL
11 PROVIDE A REPORT TO THE DEPARTMENT OF REVENUE WITH THE SOCIAL
12 SECURITY NUMBERS, INCENTIVE AMOUNTS, AND TAX YEARS OF ELIGIBILITY
13 FOR ALL ELIGIBLE TRANSFER STUDENTS ENTITLED TO THE INCENTIVE ON
14 OR BEFORE NOVEMBER 1 OF EACH YEAR FOR ELIGIBLE TRANSFER
15 STUDENTS WHO COMPLETED AT LEAST FIFTEEN CREDIT HOURS AT THE
16 INSTITUTION OF HIGHER EDUCATION WITHIN THE PRIOR TWELVE MONTHS.
17 IF A SOCIAL SECURITY NUMBER IS NOT AVAILABLE, THE COLORADO
18 DEPARTMENT OF HIGHER EDUCATION SHALL PROVIDE STUDENT
19 IDENTIFICATION NUMBERS FOR ELIGIBLE TRANSFER STUDENTS ENTITLED
20 TO THE INCENTIVE.

21 (8) THE AMOUNT OF THE INCENTIVE ALLOWED UNDER THIS
22 SECTION THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED
23 TO THE TAXPAYER.

24 (9) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2032.

25 **SECTION 2. Safety clause.** The general assembly finds,
26 determines, and declares that this act is necessary for the immediate
27 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.