

**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. 24-1196.01 Rebecca Bayetti x4348

SENATE BILL 24-228

SENATE SPONSORSHIP

Mullica and Lundeen,

HOUSE SPONSORSHIP

deGruy Kennedy and Pugliese,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MECHANISMS TO REFUND EXCESS STATE REVENUES, AND,**
102 **IN CONNECTION THEREWITH, MAKING 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>.)

If the state exceeds its constitutional fiscal year spending limit, it is required by the Taxpayer's Bill of Rights (TABOR) to refund the excess state revenues (TABOR refunds). There are currently 2 active mechanisms for TABOR refunds, which occur in the following order of priority:

- First, a reimbursement paid to counties for allocation to

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.

local governments to offset the reduction in property taxes resulting from property tax exemptions for qualifying seniors, veterans with disabilities, and spouses of veterans who died in the line of duty or as a result of a service-related injury or disease (homestead exemptions); and

- Last, a sales tax refund for individual taxpayers, the amount of which is either an identical flat refund amount or based on 6 tiers of income.

Another refund mechanism exists in current law but is not active. That mechanism is a temporary reduction in the state individual income tax rate from 4.63% to 4.5%. Because the current state individual income tax rate is 4.4%, however, this temporary rate reduction refund mechanism is not able to be triggered by any excess state revenues.

The bill affects the existing TABOR refund mechanisms and creates a fourth TABOR refund mechanism; except that the homestead exemptions are not affected.

Under the current sales tax refund mechanism, all qualified individuals receive an identical refund amount if the identical refund amount is less than or equal to \$15 dollars, but if the identical refund amount would be above \$15 dollars, the excess state revenues are instead refunded through a 6-tier refund mechanism based on the qualified individual's adjusted gross income. The bill increases the identical refund amount above which the 6-tier mechanism is triggered and ties this identical refund threshold to internal revenue service calculations of sales tax paid in the state. The 6-tiered income classifications of the sales tax refund are not changed. The bill clarifies that if, by September 1 of any year, the executive director of the department of revenue has not received advice from the internal revenue service that an identical refund is regarded as a refund of sales tax and not as an accession to wealth, no identical refund is allowed and all excess state revenues are refunded through the 6-tier mechanism. The sales tax refund mechanism is addressed in **sections 3 through 8** of the bill.

The temporary income tax rate reduction is reactivated for income tax years 2025 through 2035. To refund excess state revenues from fiscal year 2023-24, the income tax rate for income tax year 2024 is temporarily reduced from 4.40% to 4.25%. After that year, if the amount of excess state revenues exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions, then the state individual income tax rate is temporarily reduced by the following percentages according to the total amount of excess state revenues remaining after the reimbursement is paid (remaining excess state revenues):

- If the remaining excess state revenues are above \$300 million but less than or equal to \$500 million, the

individual income tax rate is temporarily reduced by 0.04%;

- If the remaining excess state revenues are above \$500 million but less than or equal to \$600 million, the individual income tax rate is temporarily reduced by 0.07%;
- If the remaining excess state revenues are above \$600 million but less than or equal to \$700 million, the individual income tax rate is temporarily reduced by 0.09%;
- If the remaining excess state revenues are above \$700 million but less than or equal to \$800 million, the individual income tax rate is temporarily reduced by 0.11%;
- If the remaining excess state revenues are above \$800 million but less than or equal to \$1 billion, the individual income tax rate is temporarily reduced by 0.12%;
- If the remaining excess state revenues are above \$1 billion but less than or equal to \$1.5 billion, the individual income tax rate is temporarily reduced by 0.13%; and
- If the remaining excess state revenues are above \$1.5 billion, the individual income tax rate is temporarily reduced by 0.15%.

The individual income tax rate reduction refund mechanism is set to repeal on July 1, 2035. The income tax rate reduction refund mechanism is addressed in **sections 1 and 2**.

The bill also establishes a fourth TABOR refund mechanism for remaining excess state revenues for fiscal years starting on July 1, 2024, but before July 1, 2034. Under this mechanism, if the amount of remaining excess state revenues is equal to or greater than \$1.5 billion and exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions and through the temporary income tax rate reduction, then the state sales and use tax rates are temporarily reduced by 0.13%. The state sales and use tax rate reduction refund mechanism is set to repeal on July 1, 2035. The sales and use tax rate reduction refund mechanism is addressed in **sections 9 through 15**.

Whether the TABOR refund mechanisms are triggered and, if so, how many of the mechanisms are triggered depends on the amount of remaining excess state revenues as follows:

- If remaining excess state revenues are less than or equal to \$300 million, TABOR refunds are distributed only through the tiered or flat sales tax refund mechanism;
- If remaining excess state revenues are greater than \$300 million but less than or equal to \$1.5 billion, TABOR

refunds are distributed first through the income tax rate reduction and then through the tiered or flat sales tax refund mechanism; and

- If remaining excess state revenues are greater than \$1.5 billion, TABOR refunds are distributed first through the income tax rate reduction, next through the sales and use tax rate reduction, and finally through the tiered or flat sales tax refund mechanism.

If there are not sufficient excess state revenues to pay the full amount of an income tax rate reduction refund mechanism or the sales and use tax rate reduction TABOR refund mechanism, then the affected refund mechanism is not triggered.

The bill also repeals statutory sections related to TABOR refund mechanisms that are no longer applicable, including the 4-tier sales tax refund mechanism to refund excess revenues from fiscal year 1997-98, and makes conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-627, **amend**
3 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

4 **39-22-627. Temporary adjustment of rate of income tax -**
5 **refund of excess state revenues - authority of executive director -**
6 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for
7 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,
8 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the
9 limitation on state fiscal year spending imposed by section 20 (7)(a) of
10 article X of the state constitution that are required to be refunded for such
11 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~
12 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director
13 shall temporarily reduce the state income tax rate for the income tax year
14 commencing during the calendar year in which the state fiscal year ended
15 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT
16 PERCENTAGE of the federal taxable income of every individual, estate,

1 trust, and corporation, as specified in sections 39-22-104 (1.7) and
2 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~
3 ~~income of every individual, estate, trust, and corporation~~ 39-22-301
4 (1)(d)(I), AS A METHOD to refund excess state revenues that are required
5 to be refunded pursuant to section 20 (7)(d) of article X of the state
6 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)
7 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX
8 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE
9 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF
10 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED
11 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE
12 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF
13 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT
14 EXCEED THE AMOUNT OF EXCESS STATE REVENUES LESS THE AMOUNT OF
15 REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS, BY AN APPLICABLE
16 AMOUNT SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION, SUBJECT TO
17 THE ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS
18 SECTION.

19 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS
20 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR
21 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS
22 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

23 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
24 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX
25 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN
26 ONE-HUNDREDTHS OF ONE PERCENT;

27 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER

1 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN
2 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE
3 ONE-HUNDREDTHS OF ONE PERCENT;

4 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
5 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO
6 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY
7 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

8 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
9 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO
10 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE
11 ONE-HUNDREDTHS OF ONE PERCENT;

12 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
13 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION
14 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY
15 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

16 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
17 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX
18 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

19 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
20 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS
21 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS
22 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE
23 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO
24 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE
25 EXCESS STATE REVENUE MUST BE REFUNDED.

26 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this
27 section to take effect ONLY IF the amount of EXCESS state revenues

1 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS
2 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of
3 the amount of reimbursement for property tax revenues lost as a result of
4 the property tax exemptions allowed by part 2 of article 3 of this title 39
5 paid by the state treasurer to each county treasurer as required by section
6 39-3-207 (4) for the property tax year that commenced during the
7 specified state fiscal year plus the estimated amount by which state
8 revenues would be decreased as the result of a THE APPLICABLE reduction
9 in the state income tax rate. ~~from four and sixty-three one-hundredths~~
10 ~~percent to four and one-half percent of federal taxable income, as~~
11 ~~determined pursuant to this section~~

12 (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
13 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS
14 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE
15 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND
16 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX
17 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES
18 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE
19 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS
20 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE
21 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO
22 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT
23 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED
24 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002
25 AND 39-22-2003.

26 (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,
27 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE

1 INCOME TAX RATE FROM FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF
2 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,
3 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND
4 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS
5 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,
6 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS
7 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO
8 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE
9 FISCAL YEAR 2023-24.

10 (2) Except as otherwise provided in subsection (3) of this section,
11 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each
12 October 1 thereafter of any calendar year during which it is certified in
13 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state
14 revenues exceed the limitation on state fiscal year spending imposed by
15 section 20 (7)(a) of article X of the state constitution for the state fiscal
16 year ending in that calendar year and exceed any amount that the voters
17 statewide have authorized the state to retain and spend for the state fiscal
18 year ending in that calendar year, the executive director shall estimate the
19 amount by which state revenues would be decreased as the result of a
20 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN
21 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) of this section in the state
22 income tax rate ~~from four and sixty-three one-hundredths percent to four~~
23 ~~and one-half percent of federal taxable income~~ for the income tax year
24 commencing during the calendar year in which the state fiscal year ended.

25 (3) If one or more ballot questions are submitted to the voters at
26 a statewide election to be held in November of any given calendar year
27 that seek authorization for the state to retain and spend all or any portion

1 of the amount of excess state revenues for the state fiscal year ending
2 during said calendar year, the executive director shall not reduce the state
3 income tax rate until the results of said election are known so that the
4 state income tax rate may be reduced only if, after the results of said
5 election, the amount of excess state revenues required to be refunded for
6 the state fiscal year exceeds the total of the amount of reimbursement for
7 property tax revenues lost as a result of the property tax exemptions
8 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to
9 each county treasurer as required by section 39-3-207 (4) for the property
10 tax year that commenced during the specified state fiscal year plus the
11 estimated amount by which state revenues would be decreased as a result
12 of a THE APPLICABLE reduction in the state income tax rate from four and
13 sixty-three one-hundredths percent to four and one-half percent of federal
14 taxable income pursuant to this section.

15 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~
16 ~~provisions of this section shall be made by rules promulgated by the~~
17 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

18 (6) If, based on the financial report prepared by the controller in
19 accordance with section 24-77-106.5, the controller certifies that the
20 amount of the state revenues for any state fiscal year commencing on or
21 after July 1, 2017, exceeds the limitation on state fiscal year spending
22 imposed by section 20 (7)(a) of article X of the state constitution for that
23 state fiscal year and exceeds the amount of excess state revenues that the
24 voters statewide have authorized the state to retain and spend for that
25 state fiscal year by less than the total of the amount of reimbursement for
26 property tax revenues lost as a result of the property tax exemptions
27 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to

1 each county treasurer as required by section 39-3-207 (4) for the property
2 tax year that commenced during the specified state fiscal year plus the
3 estimated amount by which state revenues would be decreased as the
4 result of a THE APPLICABLE reduction in the state income tax rate from
5 ~~four and sixty-three one-hundredths percent to four and one-half percent~~
6 ~~of federal taxable income~~ as calculated by the executive director pursuant
7 to subsection (2) of this section, then the reduction in the state income tax
8 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS not ~~be~~
9 allowed for the income tax year commencing during the calendar year in
10 which the state fiscal year ended.

11 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
12 REQUIRES:

13 (a) "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE
14 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE
15 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20
16 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS
17 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND
18 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF
19 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT
20 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

21 (b) "REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS" MEANS
22 THE AMOUNT OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS
23 A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF
24 ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH
25 COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE
26 PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE
27 FISCAL YEAR.

1 (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

2 **SECTION 2.** In Colorado Revised Statutes, 39-22-627, **amend**
3 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

4 **39-22-627. Temporary adjustment of rate of income tax -**
5 **refund of excess state revenues - authority of executive director -**
6 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for
7 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,
8 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the
9 limitation on state fiscal year spending imposed by section 20 (7)(a) of
10 article X of the state constitution that are required to be refunded for such
11 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~
12 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director
13 shall temporarily reduce the state income tax rate for the income tax year
14 commencing during the calendar year in which the state fiscal year ended
15 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT
16 PERCENTAGE of the federal taxable income of every individual, estate,
17 trust, and corporation, as specified in sections 39-22-104 (1.7) and
18 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~
19 ~~income of every individual, estate, trust, and corporation~~ 39-22-301
20 (1)(d)(I), AS A METHOD to refund excess state revenues that are required
21 to be refunded pursuant to section 20 (7)(d) of article X of the state
22 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)
23 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX
24 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE
25 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF
26 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED
27 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE

1 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF
2 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT
3 EXCEED THE AMOUNT OF EXCESS STATE REVENUES LESS THE AMOUNT OF
4 REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS, BY AN APPLICABLE
5 AMOUNT SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION, SUBJECT TO
6 THE ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS
7 SECTION.

8 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS
9 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR
10 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS
11 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

12 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
13 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX
14 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN
15 ONE-HUNDREDTHS OF ONE PERCENT;

16 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
17 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN
18 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE
19 ONE-HUNDREDTHS OF ONE PERCENT;

20 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
21 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO
22 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY
23 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

24 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
25 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO
26 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE
27 ONE-HUNDREDTHS OF ONE PERCENT;

1 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
2 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION
3 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY
4 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

5 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER
6 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX
7 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

8 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
9 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS
10 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS
11 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE
12 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO
13 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE
14 EXCESS STATE REVENUE MUST BE REFUNDED.

15 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this
16 section ~~to~~ take effect ONLY IF the amount of EXCESS state revenues
17 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS
18 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of
19 the amount of reimbursement for property tax revenues lost as a result of
20 the property tax exemptions allowed by part 2 of article 3 of this title 39
21 paid by the state treasurer to each county treasurer as required by section
22 39-3-207 (4) for the property tax year that commenced during the
23 specified state fiscal year plus the estimated amount by which state
24 revenues would be decreased as the result of a THE APPLICABLE reduction
25 in the state income tax rate. ~~from four and sixty-three one-hundredths~~
26 ~~percent to four and one-half percent of federal taxable income, as~~
27 ~~determined pursuant to this section~~

1 (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
2 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS
3 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE
4 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND
5 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX
6 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES
7 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE
8 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS
9 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE
10 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO
11 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT
12 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED
13 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002
14 AND 39-22-2003.

15 (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,
16 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE
17 INCOME TAX RATE FROM FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF
18 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,
19 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND
20 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS
21 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,
22 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS
23 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO
24 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE
25 FISCAL YEAR 2023-24.

26 (2) Except as otherwise provided in subsection (3) of this section,
27 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each

1 October 1 thereafter of any calendar year during which it is certified in
2 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state
3 revenues exceed the limitation on state fiscal year spending imposed by
4 section 20 (7)(a) of article X of the state constitution for the state fiscal
5 year ending in that calendar year and exceed any amount that the voters
6 statewide have authorized the state to retain and spend for the state fiscal
7 year ending in that calendar year, the executive director shall estimate the
8 amount by which state revenues would be decreased as the result of a
9 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN
10 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) of this section in the state
11 income tax rate ~~from four and sixty-three one-hundredths percent to four~~
12 ~~and one-half percent of federal taxable income~~ for the income tax year
13 commencing during the calendar year in which the state fiscal year ended.

14 (3) If one or more ballot questions are submitted to the voters at
15 a statewide election to be held in November of any given calendar year
16 that seek authorization for the state to retain and spend all or any portion
17 of the amount of excess state revenues for the state fiscal year ending
18 during said calendar year, the executive director shall not reduce the state
19 income tax rate until the results of said election are known so that the
20 state income tax rate may be reduced only if, after the results of said
21 election, the amount of excess state revenues required to be refunded for
22 the state fiscal year exceeds the total of the amount of reimbursement for
23 property tax revenues lost as a result of the property tax exemptions
24 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to
25 each county treasurer as required by section 39-3-207 (4) for the property
26 tax year that commenced during the specified state fiscal year plus the
27 estimated amount by which state revenues would be decreased as a result

1 of a THE APPLICABLE reduction in the state income tax rate ~~from four and~~
2 ~~sixty-three one-hundredths percent to four and one-half percent of federal~~
3 ~~taxable income~~ pursuant to this section.

4 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~
5 ~~provisions of this section shall be made by rules promulgated by the~~
6 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

7 (6) If, based on the financial report prepared by the controller in
8 accordance with section 24-77-106.5, the controller certifies that the
9 amount of the state revenues for any state fiscal year commencing on or
10 after July 1, 2017, exceeds the limitation on state fiscal year spending
11 imposed by section 20 (7)(a) of article X of the state constitution for that
12 state fiscal year and exceeds the amount of excess state revenues that the
13 voters statewide have authorized the state to retain and spend for that
14 state fiscal year by less than the total of the amount of reimbursement for
15 property tax revenues lost as a result of the property tax exemptions
16 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to
17 each county treasurer as required by section 39-3-207 (4) for the property
18 tax year that commenced during the specified state fiscal year plus the
19 estimated amount by which state revenues would be decreased as the
20 result of a THE APPLICABLE reduction in the state income tax rate ~~from~~
21 ~~four and sixty-three one-hundredths percent to four and one-half percent~~
22 ~~of federal taxable income~~ as calculated by the executive director pursuant
23 to subsection (2) of this section, then the reduction in the state income tax
24 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS not be
25 allowed for the income tax year commencing during the calendar year in
26 which the state fiscal year ended.

27 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES:

2 (a) "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE
3 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE
4 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20
5 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS
6 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND
7 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF
8 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT
9 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

10 (b) "REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS" MEANS
11 THE AMOUNT OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS
12 A RESULT OF BOTH THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2
13 OF ARTICLE 3 OF THIS TITLE 39 AND THE REDUCED VALUATION FOR
14 ASSESSMENT OF QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY
15 PURSUANT TO SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS PAID BY THE
16 STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION
17 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT
18 COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR.

19 (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

20 **SECTION 3.** In Colorado Revised Statutes, 39-22-2002, **amend**
21 (1), (2), (3) introductory portion, (4), (5)(b), and (5)(c); **repeal** (3)(a),
22 (3)(b), and (7); and **add** (3.5) as follows:

23 **39-22-2002. Fiscal years commencing on or after July 1, 1998**
24 **- state sales tax refund - authority of executive director - repeal.**

25 (1) If, for any state fiscal year commencing on or after July 1, 1998, the
26 amount of state revenues exceeds the limitation on state fiscal year
27 spending imposed by section 20 (7)(a) of article X of the state

1 constitution and voters statewide either have not authorized the state to
2 retain and spend all of the excess revenues for that fiscal year or have
3 authorized the state to retain and spend only a portion of the excess
4 revenues for that fiscal year, the executive director shall, if the amount of
5 the identical individual refund calculated pursuant to ~~paragraph (a) of~~
6 ~~subsection (2)~~ SUBSECTION (2)(a) of this section exceeds ~~fifteen dollars~~
7 THE IDENTICAL REFUND THRESHOLD, for the taxable year commencing on
8 or after January 1 of the calendar year in which that fiscal year ended, but
9 prior to January 1 of the subsequent calendar year, calculate a temporary
10 state sales tax refund in accordance with the provisions of this section to
11 refund the amount of excess state revenues. ~~that is not refunded by~~
12 ~~another method established by law~~

13 (2) (a) ~~Subject to the provisions of paragraph (b) of subsection (7)~~
14 ~~of this section, as applicable,~~ For the taxable year commencing on or after
15 January 1 of the calendar year in which that fiscal year ended, but prior
16 to January 1 of the subsequent calendar year, the executive director shall
17 divide the total amount of excess state revenues ~~that is not refunded by~~
18 ~~another method established by law and is required to be refunded by the~~
19 number of qualified individuals expected to claim a refund ~~in order to~~
20 determine the amount of the refund that each such qualified individual
21 would receive if each individual received an identical refund.

22 (b) If the amount of the identical individual refund calculated
23 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS
24 SECTION is less than or equal to ~~fifteen dollars~~ THE IDENTICAL REFUND
25 THRESHOLD, the executive director shall allow each qualified individual
26 an identical refund in the manner set forth in section 39-22-2003 (3)(a)
27 and (3)(b); EXCEPT THAT, IF BY SEPTEMBER 1 OF ANY CALENDAR YEAR,

1 THE EXECUTIVE DIRECTOR HAS NOT RECEIVED ADVICE FROM THE
2 INTERNAL REVENUE SERVICE THAT AN IDENTICAL REFUND IS REGARDED AS
3 A REFUND OF SALES TAX AND NOT AS AN ACCESSION TO WEALTH, NO
4 IDENTICAL REFUND IS ALLOWED AND ALL EXCESS STATE REVENUES TO BE
5 REFUNDED PURSUANT TO THIS PART 20 MUST BE REFUNDED BY INCOME
6 CLASSIFICATION IN THE MANNER SET FORTH IN SECTION 39-22-2003 (3)(c)
7 AND (3)(d).

8 (3) As used in this section, unless the context otherwise requires,
9 "excess state revenues" means the total ~~combined~~ amount of THE STATE
10 REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE LIMITATION ON
11 STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE
12 X OF THE STATE CONSTITUTION, THAT VOTERS STATEWIDE HAVE NOT
13 AUTHORIZED THE STATE TO RETAIN AND SPEND, THAT THE STATE IS
14 REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE
15 STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT FOR AMOUNTS
16 SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8, AND THAT ARE NOT
17 REFUNDED BY ANOTHER METHOD ESTABLISHED BY LAW.

18 ~~(a) Excess revenues that voters statewide have not authorized the~~
19 ~~state to retain and spend and that are required to be refunded pursuant to~~
20 ~~section 20 (7)(d) of article X of the state constitution and that are not~~
21 ~~refunded by another method established by law for said fiscal year ending~~
22 ~~in that calendar year;~~

23 ~~(b) Excess revenues that voters statewide did not authorize the~~
24 ~~state to retain and spend and were required to be refunded pursuant to~~
25 ~~section 20 (7)(d) of article X of the state constitution for any other fiscal~~
26 ~~year and that were not refunded by another method established by law~~
27 ~~prior to said fiscal year, but that were not refunded by the state as~~

1 required; and

2 (3.5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES, "IDENTICAL REFUND THRESHOLD" MEANS THE LOWEST AMOUNT
4 LISTED FOR COLORADO IN THE MOST RECENT TABLE PRESCRIBED
5 PURSUANT TO SECTION 164 (b)(5)(H)(ii) OF THE INTERNAL REVENUE CODE.

6 (4) No later than October 1 of any given calendar year
7 commencing on or after January 1, 1999, during which the controller
8 certifies, in accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~
9 that state revenues exceed the limitation on state fiscal year spending
10 imposed by section 20 (7)(a) of article X of the state constitution for the
11 fiscal year ending in that calendar year, the executive director shall, if the
12 amount of the identical individual refund calculated pursuant to
13 subsection (2) of this section exceeds ~~fifteen dollars~~ THE IDENTICAL
14 REFUND THRESHOLD, calculate the income classifications and the amount
15 of the refund allowed for each income classification pursuant to section
16 39-22-2003 (3) for the taxable year commencing during said fiscal year
17 that would refund the amount of excess state revenues that is not refunded
18 by another method established by law.

19 (5) If one or more ballot questions are submitted to the voters at
20 a statewide election to be held in November of any given calendar year
21 commencing on or after January 1, 1999, that seek authorization for the
22 state to retain and spend all or any portion of the amount of excess
23 revenues for the fiscal year ending during said calendar year, no later than
24 October 1 of said calendar year, the executive director shall, in addition
25 to the calculations required by subsection (4) of this section:

26 (b) If the amount of any identical refund calculated pursuant to
27 ~~subparagraph (1) of paragraph (a) of this subsection (5)~~ SUBSECTION

1 (5)(a)(I) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND
2 THRESHOLD, calculate income classifications and the amount of the
3 refund to be allowed for each income classification pursuant to section
4 39-22-2003 (3) for the taxable year commencing during said fiscal year
5 that would refund the amount of excess state revenues, if any, required to
6 be refunded if one or more of such ballot questions are approved by
7 voters statewide; ~~and that is not refunded by another method established~~
8 ~~by law~~

9 (c) If the amount of the identical refund calculated pursuant to
10 ~~subparagraph (H) of paragraph (a) of this subsection (5)~~ SUBSECTION
11 (5)(a)(II) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND
12 THRESHOLD, calculate income classifications and the amount of the
13 refund to be allowed for each income classification pursuant to section
14 39-22-2003 (3) for the taxable year commencing during said fiscal year
15 that would refund the amount of excess state revenues, if any, required to
16 be refunded if all of such ballot questions are not approved by voters
17 statewide. ~~and that is not refunded by another method established by law~~

18 (7) (a) ~~The amount of any sales tax refund calculated pursuant to~~
19 ~~the provisions of this section shall be published in rules promulgated by~~
20 ~~the executive director in accordance with article 4 of title 24, C.R.S., and~~
21 ~~shall be included in income tax forms for that taxable year.~~

22 (b) ~~If one or more ballot questions are submitted to the voters at~~
23 ~~a statewide election to be held in November of any calendar year~~
24 ~~commencing on or after January 1, 1999, that seek authorization for the~~
25 ~~state to retain and spend all or any portion of the amounts of excess state~~
26 ~~revenues for the fiscal year ending during said calendar year, the~~
27 ~~executive director shall not publish rules or income tax forms containing~~

1 ~~any sales tax refund calculated pursuant to this section until such rules~~
2 ~~and forms may be published to reflect the impact of the results of said~~
3 ~~election on the amount of the refund to be allowed pursuant to section~~
4 ~~39-22-2003 and that is not refunded by another method established by~~
5 ~~law.~~

6 **SECTION 4.** In Colorado Revised Statutes, 39-22-2003, **amend**
7 (1)(b)(I), (2), (3), (5)(a)(I), (5)(b), and (5)(c); and **repeal** (1)(b)(II),
8 (1)(b)(III), (5)(a)(II), (8), (9), and (10); and **add** (1.7) and (9.5) as
9 follows:

10 **39-22-2003. State sales tax refund - offset against state income**
11 **tax - qualified individuals - definitions.** (1) (b) "Qualified individual"
12 does not include:

13 (I) Any natural person who was convicted of a felony and who
14 served a sentence of incarceration in a correctional facility operated by or
15 under contract with the department of corrections or ~~in a county or~~
16 ~~municipal jail awaiting transfer to the department of corrections pursuant~~
17 ~~to section 16-11-308, C.R.S., or in both such facility and jail~~ THE
18 FEDERAL BUREAU OF PRISONS for a total of one hundred eighty days or
19 more during the fiscal year ending during the taxable year, regardless of
20 whether such person meets the qualifications set forth in ~~paragraph (a) of~~
21 ~~this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION.

22 (II) ~~Any natural person who is convicted of a misdemeanor or is~~
23 ~~adjudicated for an offense that would constitute a misdemeanor if~~
24 ~~committed by an adult and who is incarcerated in a county or municipal~~
25 ~~jail for a total of one hundred eighty days or more during the fiscal year~~
26 ~~ending during the taxable year, regardless of whether such person meets~~
27 ~~the qualifications set forth in paragraph (a) of this subsection (1);~~

1 (III) ~~Any natural person under eighteen years of age who is~~
2 ~~adjudicated for an offense that would constitute a felony if committed by~~
3 ~~an adult and who was committed to the department of human services for~~
4 ~~a total of one hundred eighty days or more during the fiscal year ending~~
5 ~~during the taxable year, regardless of whether such person meets the~~
6 ~~qualifications set forth in paragraph (a) of this subsection (1).~~

7 (1.7) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES:

9 (a) "EXCESS STATE REVENUES" HAS THE SAME MEANING AS SET
10 FORTH IN SECTION 39-22-2002 (3).

11 (b) "IDENTICAL REFUND THRESHOLD" HAS THE SAME MEANING AS
12 SET FORTH IN SECTION 39-22-2002 (3.5).

13 (2) With respect to the taxable year commencing on January 1,
14 1999, and ending December 31, 1999, and for each subsequent taxable
15 year, there ~~shall be~~ IS allowed to each qualified individual a state sales tax
16 refund in an amount specified in subsection (3) of this section to be
17 claimed in the manner specified in subsection (4) of this section if there
18 were excess state revenues for the fiscal year ending in that tax year. ~~that~~
19 ~~voters statewide have not authorized the state to retain and spend and that~~
20 ~~are required to be refunded pursuant to section 20 (7)(d) of article X of~~
21 ~~the state constitution.~~

22 (3) The amount of the refund allowed under this section ~~shall be~~
23 IS as follows:

24 (a) For a qualified individual filing a single return OR FOR A
25 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO
26 IS NOT QUALIFIED, the amount of the identical individual sales tax refund
27 calculated pursuant to section 39-22-2002 (2) or (5)(a) if the amount of

1 such identical individual refund is less than or equal to ~~fifteen dollars~~ THE
2 IDENTICAL REFUND THRESHOLD;

3 (b) For any two qualified individuals filing a joint return, double
4 the amount of the identical individual sales tax refund calculated pursuant
5 to section 39-22-2002 (2) or (5)(a) if the amount of such identical
6 individual refund is less than or equal to ~~fifteen dollars~~ THE IDENTICAL
7 REFUND THRESHOLD;

8 (c) For a qualified individual filing a single return OR FOR A
9 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO
10 IS NOT QUALIFIED, if the amount of the identical individual sales tax
11 refund calculated pursuant to section 39-22-2002 (2) or (5)(a) exceeds
12 ~~fifteen dollars~~ THE IDENTICAL REFUND THRESHOLD:

13 (I) If the qualified individual's adjusted gross income for the tax
14 year is less than or equal to twenty-five thousand dollars, the refund ~~shall~~
15 ~~be in~~ IS an amount equal to the amount of excess state revenues required
16 to be refunded pursuant to subsection (1) of this section, multiplied by
17 twenty-five percent, divided by the estimated number of said qualified
18 individuals expected to claim the credit for that taxable year;

19 (II) If the qualified individual's adjusted gross income for the tax
20 year is greater than twenty-five thousand dollars but not more than fifty
21 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount
22 of excess state revenues required to be refunded pursuant to subsection
23 (1) of this section, multiplied by twenty-three percent, divided by the
24 estimated number of said qualified individuals expected to claim the
25 credit for that taxable year;

26 (III) If the qualified individual's adjusted gross income for the tax
27 year is greater than fifty thousand dollars but not more than seventy-five

1 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount
2 of excess state revenues required to be refunded pursuant to subsection
3 (1) of this section, multiplied by nineteen percent, divided by the
4 estimated number of said qualified individuals expected to claim the
5 credit for that taxable year;

6 (IV) If the qualified individual's adjusted gross income for the tax
7 year is greater than seventy-five thousand dollars but not more than one
8 hundred thousand dollars, the refund ~~shall be in~~ IS an amount equal to the
9 amount of excess state revenues required to be refunded pursuant to
10 subsection (1) of this section, multiplied by twelve percent, divided by the
11 estimated number of said qualified individuals expected to claim the
12 credit for that taxable year;

13 (V) If the qualified individual's adjusted gross income for the tax
14 year is greater than one hundred thousand dollars but not more than one
15 hundred twenty-five thousand dollars, the refund ~~shall be in~~ IS an amount
16 equal to the amount of excess state revenues required to be refunded
17 pursuant to subsection (1) of this section, multiplied by six percent,
18 divided by the estimated number of said qualified individuals expected to
19 claim the credit for that taxable year;

20 (VI) If the qualified individual's adjusted gross income for the tax
21 year is greater than one hundred twenty-five thousand dollars, the refund
22 ~~shall be in~~ IS an amount equal to the amount of excess state revenues
23 required to be refunded pursuant to subsection (1) of this section,
24 multiplied by fifteen percent, divided by the estimated number of said
25 qualified individuals expected to claim the credit for that taxable year;

26 (d) For two qualified individuals filing a joint return, if the
27 amount of the identical individual sales tax refund calculated pursuant to

1 section 39-22-2002 (2) or (5)(a) exceeds ~~fifteen dollars~~ THE IDENTICAL
2 REFUND THRESHOLD, the amount of the refund ~~shall be~~ IS based upon the
3 aggregate adjusted gross income of the qualified individuals and ~~shall be~~
4 IS an amount equal to double the amount of the refund allowed under
5 paragraph (c) of this subsection (3) for such aggregate income amount.

6 (5) (a) (I) ~~Except as otherwise provided in subparagraph (H) of~~
7 ~~this paragraph (a), any refund allowed pursuant to this section shall be~~
8 ~~claimed by~~ A qualified individual as defined in ~~subparagraph (I) or (H)~~
9 ~~of paragraph (a) of subsection (1)~~ SUBSECTION (1)(a)(I) OR (1)(a)(III) of
10 this section MAY CLAIM A REFUND ALLOWED BY THIS SECTION by ~~timely~~
11 filing an income tax return with the department of revenue for a taxable
12 year for which the refund is allowed NO LATER THAN OCTOBER 15 OF THE
13 CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND
14 IS BEING CLAIMED, in compliance with the provisions of this ~~article~~
15 ARTICLE 22.

16 (II) ~~Any refund allowed pursuant to this section shall be claimed~~
17 ~~by a qualified individual as defined in subparagraph (I) or (H) of~~
18 ~~paragraph (a) of subsection (1) of this section or by a qualified individual~~
19 ~~that is required to file a Colorado individual income tax return for that tax~~
20 ~~year pursuant to section 39-22-601 (1)(a) who is granted an extension of~~
21 ~~time to file an income tax return by filing an income tax return with the~~
22 ~~department of revenue no later than October 15 of the calendar year~~
23 ~~following the taxable year for which the refund is being claimed. Such~~
24 ~~qualified individual shall not be required to pay all or any portion of the~~
25 ~~qualified individual's net tax liability due prior to October 15 of said~~
26 ~~calendar year in order to be granted an extension of time to file said tax~~
27 ~~return; except that, pursuant to section 39-22-621, such qualified~~

1 individual may be subject to a late payment penalty and interest on any
2 net income tax liability not paid by April 15 of said calendar year.

3 (b) ~~Except as otherwise provided in subparagraph (H) of~~
4 ~~paragraph (a) of this subsection (5), any refund allowed pursuant to this~~
5 ~~section shall be claimed by A qualified individual as defined in~~
6 ~~subparagraph (H) or (IV) of paragraph (a) of subsection (1) SUBSECTION~~
7 ~~(1)(a)(II) OR (1)(a)(IV) of this section MAY CLAIM A REFUND ALLOWED BY~~
8 ~~THIS SECTION by filing an income tax return for the taxable year for which~~
9 ~~the refund is allowed with the department of revenue no later than April~~
10 ~~15 OCTOBER 15 of the calendar year following the tax year for which the~~
11 ~~refund is being claimed. The department of revenue shall not allow said~~
12 ~~refund claimed by a qualified individual as defined in subparagraph (H)~~
13 ~~or (IV) of paragraph (a) of subsection (1) of this section on any income~~
14 ~~tax return filed with the department of revenue after April 15 of the~~
15 ~~calendar year following the tax year for which the refund is being~~
16 ~~claimed.~~

17 (c) (I) Notwithstanding any provision of ~~paragraph (b) of this~~
18 ~~subsection (5) SUBSECTION (5)(b) OF THIS SECTION to the contrary, a~~
19 ~~qualified individual as defined in subparagraph (H) or (IV) of paragraph~~
20 ~~(a) of subsection (1) SUBSECTION (1)(a)(II) OR (1)(a)(IV) of this section~~
21 ~~who claims a property tax assistance grant pursuant to section 39-31-101~~
22 ~~or a heat or fuel expenses assistance grant pursuant to section 39-31-104~~
23 ~~may claim a refund authorized by this section on the assistance grant~~
24 ~~application form described in section 39-31-102 (2). Claiming a refund~~
25 ~~on such assistance grant application form shall be IS in lieu of claiming~~
26 ~~the refund on an income tax return pursuant to paragraph (b) of this~~
27 ~~subsection (5) SUBSECTION (5)(b) OF THIS SECTION. Any refund claimed~~

1 pursuant to this ~~paragraph (c)~~ SUBSECTION (5)(c) ~~shall~~ MUST be claimed
2 on or before ~~April 15~~ OCTOBER 15 of the calendar year following the tax
3 year for which the refund is being claimed.

4 (II) The department of revenue shall not allow a refund authorized
5 by this section that is claimed on an assistance grant application form if:

6 (A) The assistance grant application form is filed after ~~April 15~~
7 OCTOBER 15 of the calendar year following the tax year for which the
8 refund is being claimed; or

9 (B) The qualified individual has claimed the refund authorized by
10 this section on an income tax form filed in accordance with ~~paragraph (b)~~
11 ~~of this subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION for the tax year
12 for which the refund is allowed.

13 (8) ~~The state sales tax refund allowed to any qualified individual~~
14 ~~under this section shall not be reported by the department of revenue as~~
15 ~~a payment of a refund, credit, or offset of state income taxes to such~~
16 ~~qualified individual in any information return required to be filed~~
17 ~~pursuant to federal law.~~

18 (9) (a) ~~The department of revenue shall identify any qualified~~
19 ~~individual who has been convicted of a felony and who, at the time of~~
20 ~~filing for a refund pursuant to this section, is incarcerated in a correctional~~
21 ~~facility operated by or under contract with the department of corrections~~
22 ~~or in a county or municipal jail awaiting transfer to a correctional facility~~
23 ~~pursuant to section 16-11-308, C.R.S. The department of revenue shall~~
24 ~~transfer the amount of any refund owed to said qualified individual to the~~
25 ~~department of corrections.~~

26 (b) ~~The department of corrections shall transmit the amount of~~
27 ~~said refund as follows:~~

1 ~~(I) Except as otherwise provided in paragraph (c) of this~~
2 ~~subsection (9), if the qualified individual is under a valid court order to~~
3 ~~pay restitution or costs and under a valid court order or administrative~~
4 ~~order to pay child support then:~~

5 ~~(A) One-half of the refund to the clerk of the district court that~~
6 ~~issued an order for payment of restitution entered pursuant to article 18.5~~
7 ~~of title 16, C.R.S., or an order for costs pursuant to section 18-1.3-701,~~
8 ~~C.R.S. Such refund shall be credited in the priority specified in section~~
9 ~~16-11-101.6 (1), C.R.S.; and~~

10 ~~(B) One-half of the refund to the department of human services~~
11 ~~for application toward the qualified individual's child support obligation~~
12 ~~for individuals receiving services pursuant to section 26-13-106, C.R.S.;~~
13 ~~or~~

14 ~~(H) If the qualified individual is not under a valid court order or~~
15 ~~administrative order to pay child support but is under a valid court order~~
16 ~~to pay restitution or costs, then to the clerk of the district court that issued~~
17 ~~an order for payment of restitution entered pursuant to article 18.5 of title~~
18 ~~16, C.R.S., or an order for costs pursuant to section 18-1.3-701, C.R.S.,~~
19 ~~whereupon such refund shall be credited in the priority specified in~~
20 ~~section 16-11-101.6 (1), C.R.S.; or~~

21 ~~(HH) If the qualified individual is not under a valid court order to~~
22 ~~pay restitution or costs but is under a valid court order or administrative~~
23 ~~order to pay child support, then to the department of human services for~~
24 ~~application toward the qualified individual's child support obligation for~~
25 ~~individuals receiving services pursuant to section 26-13-106, C.R.S.; or~~

26 ~~(IV) If the qualified individual is not under a valid court order or~~
27 ~~administrative order to pay child support and is not under a valid court~~

1 order to pay restitution or costs, then to the qualified individual subject
2 to other applicable provisions of law.

3 (c) ~~If a refund is transmitted in accordance with the provisions of~~
4 ~~subparagraph (I), (II), or (III) of paragraph (b) of this subsection (9) and~~
5 ~~results in excess refund moneys remaining after satisfaction of the~~
6 ~~qualified individual's restitution or child support obligation, the excess~~
7 ~~refund moneys shall be first applied toward any outstanding restitution~~
8 ~~obligation or child support obligation of the qualified individual before~~
9 ~~being returned to the qualified individual.~~

10 (9.5) THE PROVISIONS OF SECTION 39-21-108 (3) APPLY TO THE
11 REFUND ALLOWED PURSUANT TO THIS PART 20 IN THE SAME MANNER AS
12 AN OVERPAYMENT OF TAX.

13 (10) ~~The department of corrections, the department of human~~
14 ~~services, and each county of the state, to the extent each such county has~~
15 ~~the capability within existing resources, shall provide in a timely manner~~
16 ~~the information requested by the department of revenue necessary to~~
17 ~~identify the persons specified in paragraph (b) of subsection (1) of this~~
18 ~~section and in subsection (9) of this section. The information shall be~~
19 ~~provided in the form requested by the department of revenue. The~~
20 ~~department of revenue shall maintain the confidentiality of any social~~
21 ~~security number received pursuant to this subsection (10).~~

22 **SECTION 5.** In Colorado Revised Statutes, **repeal** 39-22-120.

23 **SECTION 6.** In Colorado Revised Statutes, 19-1-305, **amend**
24 (1)(g) as follows:

25 **19-1-305. Operation of juvenile facilities.** (1) Except as
26 otherwise authorized by section 19-1-303 or 19-1-304 (8), all records
27 prepared or obtained by the department of human services in the course

1 of carrying out its duties pursuant to article 2.5 of this title 19 are
2 confidential and privileged. The records may be disclosed only:

3 (g) To the department of revenue pursuant to ~~sections 39-22-120~~
4 ~~and~~ SECTION 39-22-2003. ~~C.R.S.~~

5 **SECTION 7.** In Colorado Revised Statutes, 39-21-108, **amend**
6 (3)(a)(I)(A) as follows:

7 **39-21-108. Refunds.** (3) (a) (I) (A) Whenever it is established
8 that any taxpayer has, for any period open under the statutes, overpaid a
9 tax covered by articles 22 and 26 to 29 of this title 39, article 60 of title
10 34, and article 3 of title 42 OR THAT ANY TAXPAYER IS ALLOWED A
11 REFUND PURSUANT TO PART 20 OF ARTICLE 22 OF THIS TITLE 39 and that:
12 There is an unpaid balance of tax and interest accrued, according to the
13 records of the executive director, owing by such taxpayer for any other
14 period; there is an amount required to be repaid to the unemployment
15 compensation fund pursuant to section 8-81-101 (4), the amount of which
16 has been determined to be owing as a result of a final agency
17 determination or judicial decision or that has been reduced to judgment
18 by the division of unemployment insurance in the department of labor and
19 employment; there is any unpaid child support debt as set forth in section
20 14-14-104, or child support arrearages that are the subject of enforcement
21 services provided pursuant to section 26-13-106, as certified by the
22 department of human services; there are any unpaid obligations owing to
23 the state as set forth in section 26-2-133, for overpayment of public
24 assistance or medical assistance benefits, the amount of which has been
25 determined to be owing as a result of final agency determination or
26 judicial decision or that has been reduced to judgment, as certified by the
27 department of human services; there are any unpaid obligations owing to

1 the state as set forth in section 26.5-4-119, for overpayment of child care
2 assistance, the amount of which has been determined to be owing as a
3 result of final agency determination or judicial decision or that has been
4 reduced to judgment as certified by the department of early childhood;
5 there is any unpaid loan or other obligation due to a state-supported
6 institution of higher education as set forth in section 23-5-115, the
7 amount of which has been determined to be owing as a result of a final
8 agency determination or judicial decision or that has been reduced to
9 judgment, as certified by the appropriate institution; there is any unpaid
10 loan due to the student loan division of the department of higher
11 education as set forth in section 23-3.1-104 (1)(p), the amount of which
12 has been determined to be owing as a result of a final agency
13 determination or judicial decision or that has been reduced to judgment,
14 as certified by the division; there is any unpaid loan due to the
15 collegeinvest division of the department of higher education as set forth
16 in section 23-3.1-206, the amount of which has been determined to be
17 owing as a result of a final agency determination or judicial decision or
18 that has been reduced to judgment; there is any outstanding judicial fine,
19 fee, cost, or surcharge as set forth in section 16-11-101.8, or judicial
20 restitution as set forth in section 16-18.5-106.8, the amount of which has
21 been determined to be owing as a result of a final judicial department
22 determination or certified by the judicial department as a judgment owed
23 the state or a victim; OR there is any unpaid debt owing to the state or any
24 agency thereof by such taxpayer, and that is found to be owing as a result
25 of a final agency determination or the amount of which has been reduced
26 to judgment and as certified by the state agency, ~~or the taxpayer is a~~
27 ~~qualified individual identified pursuant to section 39-22-120 (10) or~~

1 ~~39-22-2003 (9)~~ so much of the overpayment of tax plus interest allowable
2 thereon as does not exceed the amount of such unpaid balance or unpaid
3 debt must be credited first to the unpaid balance of tax and interest
4 accrued and then to the unpaid debt, and any excess of the overpayment
5 must be refunded. If the taxpayer elects to designate ~~his or her~~ THE
6 TAXPAYER'S refund as a credit against a subsequent year's tax liability, the
7 amount allowed to be so credited must be reduced first by the unpaid
8 balance of tax and interest accrued and then by the unpaid debt. If the
9 taxpayer filed a joint return, the executive director shall notify the other
10 taxpayer named on the joint return that the portion of the overpayment
11 that is generated by the other taxpayer's income will be refunded upon
12 receipt of a request detailing said amount.

13 **SECTION 8.** In Colorado Revised Statutes, 39-21-113, **repeal**
14 (11) as follows:

15 **39-21-113. Reports and returns - rule - repeal.**
16 (11) ~~Notwithstanding the provisions of this section, the executive~~
17 ~~director of the department of revenue shall supply the department of~~
18 ~~corrections with any information obtained pursuant to this section which~~
19 ~~is necessary to implement the procedure to offset state sales tax refunds~~
20 ~~against restitution and costs pursuant to section 39-22-120 (10) or~~
21 ~~39-22-2003 (9).~~

22 **SECTION 9.** In Colorado Revised Statutes, 39-26-106, **amend**
23 (1)(a)(II); and **repeal** (1)(a)(I) as follows:

24 **39-26-106. Schedule of sales tax.** (1) (a) (I) ~~Except as otherwise~~
25 ~~provided in subparagraph (II) of this paragraph (a), there is imposed upon~~
26 ~~all sales of commodities and services specified in section 39-26-104 a tax~~
27 ~~at the rate of three percent of the amount of the sale, to be computed in~~

1 ~~accordance with schedules or systems approved by the executive director~~
2 ~~of the department of revenue. Said schedules or systems shall be designed~~
3 ~~so that no such tax is charged on any sale of seventeen cents or less.~~

4 (II) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-26-901, on
5 and after January 1, 2001, there is imposed upon all sales of commodities
6 and services specified in section 39-26-104 a tax at the rate of two and
7 ninety one-hundredths percent of the amount of the sale to be computed
8 in accordance with schedules or systems approved by the executive
9 director of the department of revenue. Said schedules or systems ~~shall~~
10 MUST be designed so that no such tax is charged on any sale of seventeen
11 cents or less.

12 **SECTION 10.** In Colorado Revised Statutes, 39-26-202, **amend**
13 (1)(b) as follows:

14 **39-26-202. Authorization of tax.** (1) (b) EXCEPT AS OTHERWISE
15 PROVIDED IN SECTION 39-26-901, on and after January 1, 2001, there is
16 imposed and ~~shall~~ MUST be collected from every person in this state a tax
17 or excise at the rate of two and ninety one-hundredths percent of storage
18 or acquisition charges or costs for the privilege of storing, using, or
19 consuming in this state any articles of tangible personal property
20 purchased at retail.

21 **SECTION 11.** In Colorado Revised Statutes, **add** part 9 to article
22 26 of title 39 as follows:

23 PART 9

24 TEMPORARY STATE SALES AND USE TAX

25 RATE REDUCTIONS

26 **39-26-901. Temporary adjustment of rates of state sales and**
27 **use taxes - refund of excess state revenues - definition - repeal.**

1 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
2 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE
3 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING
4 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION
5 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS
6 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE
7 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING
8 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION
9 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION
10 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

11 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS
12 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION
13 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE
14 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE
15 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

16 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER
17 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE
18 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS
19 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE
20 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO
21 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE
22 EXCESS STATE REVENUE MUST BE REFUNDED.

23 (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION
24 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE
25 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A
26 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF
27 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE

1 PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS
2 TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS
3 REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT
4 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED
5 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT
6 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED
7 BY SECTION 39-22-627.

8 (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE
9 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS
10 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR
11 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,
12 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE
13 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE
14 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF
15 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE
16 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION
17 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE
18 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A
19 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN
20 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

21 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE
23 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE
24 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20
25 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS
26 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND
27 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF

1 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT
2 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

3 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION
4 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE
5 CALCULATION OF THE AMOUNT OF:

6 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT
7 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

8 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL
9 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;

10 OR

11 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

12 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
13 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE
14 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE
15 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20
16 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

17 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

18 **SECTION 12.** In Colorado Revised Statutes, **add** part 9 to article
19 26 of title 39 as follows:

20 PART 9

21 TEMPORARY STATE SALES AND USE TAX

22 RATE REDUCTIONS

23 **39-26-901. Temporary adjustment of rates of state sales and**
24 **use taxes - refund of excess state revenues - definition - repeal.**

25 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
26 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE
27 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING

1 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION
2 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS
3 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE
4 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING
5 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION
6 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION
7 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

8 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS
9 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION
10 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE
11 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE
12 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

13 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER
14 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE
15 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS
16 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE
17 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO
18 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE
19 EXCESS STATE REVENUE MUST BE REFUNDED.

20 (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION
21 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE
22 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A
23 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF
24 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF
25 BOTH THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3
26 OF THIS TITLE 39 AND THE REDUCED VALUATION FOR ASSESSMENT OF
27 QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY PURSUANT TO

1 SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS PAID BY THE STATE
2 TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION
3 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT
4 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED
5 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT
6 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED
7 BY SECTION 39-22-627.

8 (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE
9 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS
10 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR
11 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,
12 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE
13 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE
14 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF
15 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE
16 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION
17 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE
18 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A
19 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN
20 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

21 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE
23 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE
24 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20
25 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS
26 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND
27 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF

1 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT
2 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

3 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION
4 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE
5 CALCULATION OF THE AMOUNT OF:

6 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT
7 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

8 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL
9 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;

10 OR

11 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

12 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT
13 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE
14 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE
15 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20
16 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

17 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

18 **SECTION 13.** In Colorado Revised Statutes, 39-26-105, **amend**
19 (1)(a)(I)(A) as follows:

20 **39-26-105. Vendor liable for tax - definitions - repeal.**

21 (1) (a) (I) (A) Except as provided in subsections (1)(a)(I)(B), (1.3), and
22 (1.5) of this section, every retailer shall, irrespective of the provisions of
23 section 39-26-106, be liable and responsible for the payment of an
24 amount equivalent to ~~two and ninety one-hundredths percent of all sales~~
25 ~~made on or after January 1, 2001, by the retailer of commodities or~~
26 ~~services as specified in section 39-26-104~~ THE TAX IMPOSED BY SECTION
27 39-26-106 (1).

1 **SECTION 14.** In Colorado Revised Statutes, 39-26-112, **amend**
2 (1) as follows:

3 **39-26-112. Excess tax - remittance - repeal.** (1) If any vendor,
4 during any reporting period, collects as a tax an amount in excess of ~~three~~
5 ~~percent of all taxable sales made prior to January 1, 2001, and two and~~
6 ~~ninety one-hundredths percent of all taxable sales made on or after~~
7 ~~January 1, 2001~~ THE TAX IMPOSED BY SECTION 39-26-106(1), such vendor
8 shall remit to the executive director of the department of revenue the full
9 net amount of the tax imposed in this part 1 and also such excess. The
10 retention by the retailer or vendor of any excess of tax collections over the
11 said percentage of the total taxable sales of such retailer or vendor, or the
12 intentional failure to remit punctually to the executive director the full
13 amount required to be remitted by the provisions of this part 1 is declared
14 to be unlawful and constitutes a misdemeanor.

15 **SECTION 15.** In Colorado Revised Statutes, 43-10-109, **amend**
16 (2)(a) as follows:

17 **43-10-109. Aviation fund created.** (2) (a) (I) In accordance with
18 section 18 of article X of the Colorado constitution, for the 1991-92 fiscal
19 year, and each fiscal year thereafter, one hundred percent of the sales and
20 use taxes collected during that fiscal year by the state pursuant to sections
21 39-26-104 and 39-26-202 ~~C.R.S.~~, on aviation fuels used in
22 turbo-propeller or jet engine aircraft shall be credited to the aviation fund.

23 (II) IF A TEMPORARY REDUCTION OF THE STATE SALES AND USE
24 TAX RATES PURSUANT TO SECTION 39-26-901 IS IN EFFECT, THE STATE
25 TREASURER SHALL CREDIT ADDITIONAL SALES AND USE TAXES COLLECTED
26 ON OTHER PROPERTY AND SERVICES TO THE AVIATION FUND SO THAT THE
27 AVIATION FUND RECEIVES AN AMOUNT EQUAL TO THE AMOUNT THAT IT

1 WOULD HAVE RECEIVED IF THE SALES AND USE TAX RATES HAD NOT BEEN
2 TEMPORARILY REDUCED FOR THAT FISCAL YEAR.

3 **SECTION 16. Effective date.** (1) Except as otherwise provided
4 in this section, this act takes effect upon passage.

5 (2) Sections 1 and 11 of this act take effect only if Senate Bill
6 24-111 does not become law.

7 (3) Sections 2 and 12 of this act take effect only if Senate Bill
8 24-111 becomes law, in which case sections 2 and 12 of this act take
9 effect upon the effective date of this act or Senate Bill 24-111, whichever
10 is later.

11 **SECTION 17. Appropriation.** (1) For the 2024-25 state fiscal
12 year, \$59,443 is appropriated to the department of revenue. This
13 appropriation is from the general fund. To implement this act, the
14 department may use this appropriation as follows:

15 (a) \$16,625 for use by the executive director's office for personal
16 services related to administration and support;

17 (b) \$27,810 for the taxation business group for tax administration
18 IT system (GenTax) support; and

19 (c) \$15,008 for the taxation business group for personal services
20 related to taxation services.

21 **SECTION 18. Safety clause.** The general assembly finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety or for appropriations for
24 the support and maintenance of the departments of the state and state
25 institutions.