

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

May 4, 2023
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB23-1112 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 5, strike line 10 and substitute "(1)(b),
2 (2)(a), (3)(a), (3.5)(a), and (4) introductory portion; and **add** (3)(d),
3 (3.5)(d), (4)(c), (4.5), and (8) as follows:".

4 Page 5, strike lines 12 and 13 and substitute "**definitions - repeal.**
5 (1) (b) Now, therefore, it is the intent of the general assembly to establish
6 a permanent and refundable state child tax credit for eligible Colorado
7 taxpayers, ~~which is equal to a percentage of the federal credit based on a~~
8 ~~family's adjusted gross income~~. The intended purpose of this credit is to
9 support Colorado working families with young children, reduce child
10 poverty, and to help Colorado's economy.

11 (2) As used in this section:

12 (a) (I) "Eligible child" means FOR INCOME TAX YEARS
13 COMMENCING BEFORE JANUARY 1, 2024, a qualifying child for purposes
14 of the federal child tax credit who is under six years of age at the end of
15 the taxable year for which the credit is claimed.

16 (II) "ELIGIBLE CHILD" MEANS FOR INCOME TAX YEARS
17 COMMENCING ON OR AFTER JANUARY 1, 2024, A QUALIFYING CHILD, AS
18 DEFINED IN SECTION 152 (c) OF THE INTERNAL REVENUE CODE, WHO IS
19 UNDER SIX YEARS OF AGE AT THE END OF THE TAXABLE YEAR FOR WHICH
20 THE CREDIT IS CLAIMED.

21 (3) (a) Except as provided in subsection (4) of this section, for
22 income tax years commencing on or after January 1, 2022, BUT BEFORE
23 JANUARY 1, 2024, a resident".

24 Page 5, strike lines 18 through 27.

25 Strike page 6.

- 1 Page 7, strike lines 1 through 18.
- 2 Page 7, before line 19, insert:
3 "(d) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE DECEMBER 31,
4 2026."
- 5 Page 7, line 19, strike "for".
- 6 Page 7, strike line 20 and substitute "for income tax years commencing
7 on or after January 1, 2022, BUT BEFORE JANUARY 1, 2024, a resident".
- 8 Page 7, strike line 27.
- 9 Strike page 8 and 9.
- 10 Page 10, strike line 1.
- 11 Page 10, before line 2, insert:
12 "(d) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE DECEMBER
13 31, 2026."
- 14 Page 10, lines 2 and 3, strike "~~In any income tax year commencing on or
15 after January 1, 2022, If~~" and substitute "In any income tax year
16 commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2024,
17 if".
- 18 Page 10, strike lines 7 through 27.
- 19 Strike page 11.
- 20 Page 12, strike lines 1 through 15 and substitute:
21 "(c) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE DECEMBER 31,
22 2026.
23 (4.5) (a) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
24 JANUARY 1, 2024, A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN
25 IS ALLOWED A CHILD TAX CREDIT AGAINST THE INCOME TAXES DUE UNDER
26 THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE TAXPAYER IN THE
27 FOLLOWING AMOUNTS:
28 (A) ONE THOUSAND TWO HUNDRED DOLLARS IF THE INDIVIDUAL'S
29 FEDERAL ADJUSTED GROSS INCOME IS TWENTY-FIVE THOUSAND DOLLARS
30 OR LESS;
31 (B) SIX HUNDRED DOLLARS IF THE INDIVIDUAL'S FEDERAL

1 ADJUSTED GROSS INCOME IS GREATER THAN TWENTY-FIVE THOUSAND
2 DOLLARS BUT LESS THAN OR EQUAL TO FIFTY THOUSAND DOLLARS; AND
3 (C) TWO HUNDRED DOLLARS IF THE INDIVIDUAL'S FEDERAL
4 ADJUSTED GROSS INCOME IS GREATER THAN FIFTY THOUSAND DOLLARS
5 BUT LESS THAN OR EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS.
6 (II) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
7 1, 2024, TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN ARE
8 ALLOWED A CHILD TAX CREDIT AGAINST THE INCOME TAXES DUE UNDER
9 THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE TAXPAYER IN THE
10 FOLLOWING AMOUNTS:
11 (A) ONE THOUSAND TWO HUNDRED DOLLARS IF THE INDIVIDUALS'
12 FEDERAL ADJUSTED GROSS INCOME IS THIRTY-FIVE THOUSAND DOLLARS
13 OR LESS;
14 (B) SIX HUNDRED DOLLARS IF THE INDIVIDUALS' FEDERAL
15 ADJUSTED GROSS INCOME IS GREATER THAN THIRTY-FIVE THOUSAND
16 DOLLARS BUT LESS THAN OR EQUAL TO SIXTY THOUSAND DOLLARS; AND
17 (C) TWO HUNDRED DOLLARS IF THE INDIVIDUALS' FEDERAL
18 ADJUSTED GROSS INCOME IS GREATER THAN SIXTY THOUSAND DOLLARS
19 BUT LESS THAN OR EQUAL TO EIGHTY-FIVE THOUSAND DOLLARS.
20 (b) (I) A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN AND
21 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN
22 SEVENTY-FIVE THOUSAND DOLLARS IS NOT ALLOWED A CREDIT UNDER
23 THIS SECTION.
24 (II) TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN AND
25 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN EIGHTY-FIVE
26 THOUSAND DOLLARS ARE NOT ALLOWED A CREDIT UNDER THIS SECTION."

27 Page 12, line 17, strike "2024," and substitute "2025,".

28 Page 12, line 18, strike "SUBSECTIONS".

29 Page 12, strike line 19.

30 Page 12, line 21, strike "ALLOWED." and substitute "ALLOWED IF
31 CUMULATIVE INFLATION SINCE THE LAST ADJUSTMENT, WHEN APPLIED TO
32 THE CURRENT LIMITS, RESULTS IN AN INCREASE OF AT LEAST ONE
33 THOUSAND DOLLARS WHEN THE ADJUSTED LIMITS ARE ROUNDED TO THE
34 NEAREST ONE THOUSAND DOLLARS."

35 Strike "FORTY" and substitute "THIRTY-EIGHT" on: **Page 3**, line 7; **Page**
36 **4**, line 8; and **Page 5**, line 1.

37 Page 1, strike line 105 and substitute: "CREDIT AND RESTRUCTURING THE

1 CHILD TAX CREDIT TO ALLOW ALL LOW-INCOME TAXPAYERS WITH
2 INCOME BELOW CERTAIN THRESHOLDS TO CLAIM THE CREDIT.".

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