

CHAPTER 315

TAXATION

HOUSE BILL 17-1002

BY REPRESENTATIVE(S) Pettersen and Exum, Becker K., Benavidez, Bridges, Buckner, Coleman, Danielson, Esgar, Foote, Gray, Hamner, Hansen, Herod, Hooton, Jackson, Kennedy, Kraft-Tharp, Lebsock, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Mitsch Bush, Pabon, Rosenthal, Salazar, Singer, Valdez, Weissman, Winter, Young, Duran; also SENATOR(S) Kefalas and Martinez Humenik, Aguilar, Fields, Gardner, Jahn, Jones, Kerr, Merrifield, Moreno, Tate, Todd, Williams A., Zenzinger.

AN ACT

CONCERNING THE EXTENSION OF THE INCOME TAX CREDIT FOR CHILD CARE EXPENSES PAID BY A RESIDENT INDIVIDUAL WITH A FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND DOLLARS OR LESS.

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

SECTION 1. In Colorado Revised Statutes, 39-22-119.5, **amend** (1)(b), (3)(a) introductory portion, and (7); and **add** (3)(a.5) as follows:

39-22-119.5. Child care expenses tax credit - legislative declaration - definitions - repeal. (1) (b) Now, therefore, the general assembly declares that the intended purpose of the tax expenditure FOR CREATING AND EXTENDING THE TERM OF THE TAX CREDIT in this section is to fix the Colorado child care expenses income tax credit so that all low-income working families are able to claim the credit regardless of the amount of their federal child care expenses credit.

(3) (a) For income tax years beginning on and after January 1, 2014, but prior to January 1, 2017, AND FOR INCOME TAX YEARS SPECIFIED IN SUBSECTION (3)(a.5) OF THIS SECTION, a resident individual is allowed a credit against the taxes due under this article for child care expenses that the individual incurred during the taxable year if:

(a.5) (I) IF, BASED ON THE REVENUE ESTIMATE PREPARED BY LEGISLATIVE COUNCIL STAFF IN JUNE 2017, THE GENERAL FUND SURPLUS FOR THE 2016-17 STATE FISCAL YEAR IS EXPECTED TO BE GREATER THAN OR EQUAL TO TWO MILLION NINE HUNDRED THOUSAND DOLLARS, THEN THE CREDIT IS AVAILABLE FOR INCOME TAX

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

YEARS BEGINNING ON AND AFTER JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2020.

(II) IF THE CONDITION IN SUBSECTION (3)(a.5)(I) OF THIS SECTION IS NOT MET, THEN THE CREDIT IS AVAILABLE FOR INCOME TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2018, BUT PRIOR TO JANUARY 1, 2021.

(III) FOR PURPOSES OF DETERMINING WHETHER SUBSECTION (3)(a.5)(I) OR (3)(a.5)(II) OF THIS SECTION APPLIES, LEGISLATIVE COUNCIL STAFF SHALL NOT TAKE INTO ACCOUNT ANY REDUCTION IN REVENUE THAT WOULD RESULT FROM THE CREDIT APPLYING FOR INCOME TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2018.

(7) This section is repealed, effective ~~January 1, 2018~~ JANUARY 1, 2022.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 2, 2017