

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 18-0600.02 Esther van Mourik x4215

**HOUSE BILL 18-1217**

**HOUSE SPONSORSHIP**

**Van Winkle and Garnett,**

**SENATE SPONSORSHIP**

**Gardner,**

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**House Committees**

Education  
Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING A TEMPORARY INCOME TAX CREDIT FOR EMPLOYERS**  
102 **THAT MAKE CONTRIBUTIONS TO 529 QUALIFIED STATE TUITION**  
103 **PROGRAM ACCOUNTS OWNED BY THEIR EMPLOYEES, AND, IN**  
104 **CONNECTION THEREWITH, ENACTING THE "WORKING FAMILIES**  
105 **COLLEGE SAVINGS ACT".**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill creates a temporary income tax credit for employers that make contributions to 529 qualified state tuition program accounts owned

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

SENATE  
3rd Reading Unamended  
May 4, 2018

SENATE  
2nd Reading Unamended  
May 3, 2018

HOUSE  
3rd Reading Unamended  
April 20, 2018

HOUSE  
Amended 2nd Reading  
April 19, 2018

by their employees.

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

2           **SECTION 1. Short title.** The short title of this act is the  
3 "Working Families College Savings Act".

4           **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-539 as  
5 follows:

6           **39-22-539. Credit for employer contributions to employee 529**  
7 **qualified state tuition programs - legislative declaration - definitions**

8 **- repeal.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES  
9 THAT THE QUALIFIED STATE TUITION SAVINGS PROGRAM ADMINISTERED BY  
10 COLLEGEINVEST HELPS EMPOWER FAMILIES TO SAVE FOR HIGHER  
11 EDUCATION AND ENABLES RESIDENTS TO FURTHER EDUCATIONAL  
12 OPPORTUNITIES AND PURSUE PROFESSIONAL GOALS. THE PURPOSE OF THIS  
13 SECTION IS TO PROVIDE AN INCENTIVE FOR EMPLOYERS TO HELP THEIR  
14 EMPLOYEES ENHANCE EDUCATION SAVINGS GOALS BY CONTRIBUTING  
15 DIRECTLY TO THE EMPLOYEES' QUALIFIED STATE TUITION PROGRAM  
16 ACCOUNTS ADMINISTERED BY COLLEGEINVEST.

17           (2) AS USED IN THIS SECTION:

18           (a) "529 QUALIFIED STATE TUITION PROGRAM ACCOUNT" MEANS A  
19 QUALIFIED STATE TUITION PROGRAM ACCOUNT ESTABLISHED BY  
20 COLLEGEINVEST CREATED IN SECTION 23-3.1-203.

21           (b) "EMPLOYEE" MEANS ANY PERSON IN THE EMPLOYMENT OF AN  
22 EMPLOYER FOR A SALARY OR FOR HOURLY WAGES, WHETHER FULL-TIME  
23 OR PART-TIME AND WHETHER TEMPORARY OR PERMANENT.

24           (c) "EMPLOYER" MEANS ANY PERSON DOING BUSINESS IN THE  
25 STATE.

1           (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
2 1, 2019, BUT PRIOR TO JANUARY 1, 2022, IF AN EMPLOYER MAKES A  
3 CONTRIBUTION OF MONEY TO A 529 QUALIFIED STATE TUITION PROGRAM  
4 ACCOUNT OWNED BY AN EMPLOYEE DURING THE INCOME TAX YEAR,  
5 WITHOUT REGARD TO THE NAMED BENEFICIARY OF THE ACCOUNT, THEN  
6 THE EMPLOYER IS ALLOWED A CREDIT AGAINST THE INCOME TAXES  
7 IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO TWENTY PERCENT  
8 OF THE CONTRIBUTION. THE MAXIMUM TOTAL CREDIT AN EMPLOYER MAY  
9 CLAIM UNDER THIS SECTION FOR EACH EMPLOYEE IN A TAXABLE YEAR IS  
10 FIVE HUNDRED DOLLARS.

11           (4) IF THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION  
12 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE  
13 EMPLOYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS  
14 BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET  
15 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE  
16 CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT YEARS'  
17 INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED THREE YEARS AND  
18 MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE.  
19 ANY CREDIT REMAINING AFTER THE PERIOD MAY NOT BE REFUNDED OR  
20 CREDITED TO THE EMPLOYER.

21           (5) NO LATER THAN JANUARY 1, 2019, AND QUARTERLY  
22 THEREAFTER, COLLEGEINVEST SHALL PROVIDE THE DEPARTMENT WITH AN  
23 ELECTRONIC REPORT CONTAINING INFORMATION FOR 529 QUALIFIED STATE  
24 TUITION PROGRAM ACCOUNT HOLDERS, BENEFICIARIES, AND DONORS THAT  
25 THE DEPARTMENT DETERMINES IS NECESSARY FOR THE ADMINISTRATION  
26 OF THE CREDIT ALLOWED IN THIS SECTION. THE REPORT MUST INCLUDE,  
27 BUT IS NOT LIMITED TO:

1 (a) THE NAME AND SOCIAL SECURITY NUMBER OF THE ACCOUNT  
2 HOLDER OF EACH 529 QUALIFIED STATE TUITION PROGRAM ACCOUNT;

3 (b) THE NAME, DATE OF BIRTH, AND SOCIAL SECURITY NUMBER OF  
4 THE BENEFICIARY OF EACH 529 QUALIFIED STATE TUITION PROGRAM  
5 ACCOUNT; AND

6 (c) CONTRIBUTION DATA THAT CONTAINS THE:

7 (I) AMOUNT OF EACH CONTRIBUTION;

8 (II) DATE OF EACH CONTRIBUTION; AND

9 (III) SOURCE OF EACH CONTRIBUTION, INCLUDING THE SOCIAL  
10 SECURITY NUMBER OR FEDERAL EMPLOYEE IDENTIFICATION NUMBER OF  
11 THE CONTRIBUTOR.

12 (6) THE DEPARTMENT OF REVENUE MAY SEEK, ACCEPT, AND  
13 EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES  
14 FOR THE DEPARTMENT'S COSTS IN ADMINISTERING THE INCOME TAX CREDIT  
15 ALLOWED IN THIS SECTION. THE DEPARTMENT MAY EXPEND MONEY  
16 RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS CONSISTENT WITH  
17 ANY TERMS AND CONDITIONS IMPOSED AS A CONDITION OF RECEIVING  
18 SUCH MONEY FOR ADMINISTERING THE INCOME TAX CREDIT ALLOWED IN  
19 THIS SECTION WITHIN EXISTING APPROPRIATIONS; EXCEPT THAT,  
20 NOTWITHSTANDING PART 13 OF ARTICLE 75 OF TITLE 24, THE GENERAL  
21 ASSEMBLY MAY APPROPRIATE STATE FUNDS TO THE DEPARTMENT IN THE  
22 FUTURE TO ADMINISTER THE INCOME TAX CREDIT ALLOWED IN THIS  
23 SECTION.

24 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2024.

25 **SECTION 3. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly (August

1 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
2 referendum petition is filed pursuant to section 1 (3) of article V of the  
3 state constitution against this act or an item, section, or part of this act  
4 within such period, then the act, item, section, or part will not take effect  
5 unless approved by the people at the general election to be held in  
6 November 2018 and, in such case, will take effect on the date of the  
7 official declaration of the vote thereon by the governor.