

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 22-1049.01 Megan McCall x4215

SENATE BILL 22-233

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Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING AN ADDITIONAL MECHANISM TO REFUND EXCESS STATE**
102 **REVENUES FOR STATE FISCAL YEAR 2021-22 ONLY THAT**
103 **PROVIDES A REFUND IN AN IDENTICAL AMOUNT TO EACH**
104 **QUALIFIED RESIDENT INDIVIDUAL, AND, IN CONNECTION**
105 **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 spending limit, then it is required by the Taxpayer's Bill of Rights (TABOR) to refund the excess

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.

HOUSE
Amended 3rd Reading
May 10, 2022

HOUSE
Amended 2nd Reading
May 5, 2022

SENATE
3rd Reading Unamended
May 3, 2022

SENATE
Amended 2nd Reading
May 2, 2022

state revenues (TABOR refunds). There are currently 3 TABOR refund mechanisms: Reimbursement to counties for the senior homestead exemption, a temporary income tax rate reduction, and a sales tax refund.

The bill establishes a temporary fourth TABOR refund mechanism for excess state revenues from all sources for state fiscal year 2021-22. Under this mechanism, if the amount of excess state revenues exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the senior homestead exemption and, if applicable, through the temporary income tax rate reduction, then on or before September 30, 2022, the state treasurer is required to issue refund checks to every qualified individual in an identical amount. The amount of the refund is \$400 for every qualified individual who files a single income tax return or who receives a property tax, rent, or heat credit rebate and \$800 for each pair of qualified individuals who file a joint income tax return or who receive a property tax, rent, or heat credit rebate; except that the executive director of the department of revenue has the authority to adjust these amounts to avoid refunding more excess state revenues than are required to be refunded based on the amount or anticipated amount of excess state revenues set forth in the state controller's certification of state revenues.

"Qualified individual" is defined for purposes of the bill as a natural person who is a Colorado resident for the entire 2021 income tax year and files a state income tax return for the 2021 income tax year or receives a property tax, rent, or heat credit rebate.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-21-113, **add** (31)
3 as follows:

4 **39-21-113. Reports and returns - rule - repeal.**
5 (31) (a) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, IN ORDER
6 FOR CALL CENTER SUPPORT TO BE PROVIDED AS IT RELATES TO THE
7 REFUND OF EXCESS STATE REVENUES FROM ALL SOURCES SET FORTH IN
8 SECTION 39-22-2004, THE EXECUTIVE DIRECTOR MAY SUPPLY THE
9 DEPARTMENT OF PERSONNEL OR A THIRD-PARTY VENDOR CONTRACTED TO
10 PROVIDE THE CALL CENTER SERVICES WITH INFORMATION NECESSARY FOR
11 SUPPORT TO BE FACILITATED AND PROVIDED TO TAXPAYERS. ANY

1 INFORMATION PROVIDED TO THE DEPARTMENT OF PERSONNEL OR A
2 THIRD-PARTY VENDOR CONTRACTED TO PROVIDE THE CALL CENTER
3 SERVICES PURSUANT TO THIS SUBSECTION (31)(a) REMAINS CONFIDENTIAL,
4 AND ALL PERSONS WITHIN THE DEPARTMENT OF PERSONNEL OR
5 EMPLOYEES OF A THIRD-PARTY VENDOR ARE SUBJECT TO THE LIMITATIONS
6 SET FORTH IN SUBSECTION (4) OF THIS SECTION AND THE PENALTIES
7 CONTAINED IN SUBSECTION (6) OF THIS SECTION.

8 (b) THIS SUBSECTION (31) IS REPEALED, EFFECTIVE JULY 1, 2027.

9 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-2004 as
10 follows:

11 **39-22-2004. Temporary refund of excess state revenues from**
12 **all sources - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS
13 THE CONTEXT OTHERWISE REQUIRES:

14 (a) "ADDITIONAL EXCESS STATE REVENUES" MEANS THE TOTAL
15 AMOUNT OF THE STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE
16 FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF
17 THE STATE CONSTITUTION THAT THE STATE IS REQUIRED TO REFUND
18 UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION,
19 INCLUDING ANY AMOUNT SPECIFIED IN SECTION 24-77-103.8, AND THAT
20 EXCEEDS THE AMOUNTS PROJECTED TO BE REFUNDED AS REQUIRED BY
21 SECTION 39-3-209, SECTION 39-22-627, OR BOTH OF SAID SECTIONS FOR
22 THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2021.

23 (b)(I) "QUALIFIED INDIVIDUAL" MEANS A NATURAL PERSON WHO
24 IS AT LEAST EIGHTEEN YEARS OF AGE AS OF DECEMBER 31, 2021, WHO IS
25 A RESIDENT OF THE STATE FOR THE ENTIRE INCOME TAX YEAR
26 COMMENCING ON JANUARY 1, 2021, AND, EXCEPT AS PROVIDED IN
27 SUBSECTION (1)(b)(II) OF THIS SECTION, WHO, ___ ON OR BEFORE JUNE 30,

1 2022, EITHER FILES A STATE INCOME TAX RETURN FOR THAT INCOME TAX
2 YEAR OR APPLIES FOR A GRANT PURSUANT TO ARTICLE 31 OF THIS TITLE
3 39.

4 (II) "QUALIFIED INDIVIDUAL" ALSO MEANS A NATURAL PERSON
5 WHO IS AT LEAST EIGHTEEN YEARS OF AGE AS OF DECEMBER 31, 2021,
6 WHO IS A RESIDENT OF THE STATE FOR THE ENTIRE INCOME TAX YEAR
7 COMMENCING ON JANUARY 1, 2021, AND WHO WAS GRANTED AN
8 EXTENSION TO FILE A 2021 INCOME TAX RETURN AND TIMELY FILES AN
9 INCOME TAX RETURN ON OR BEFORE THE EXTENDED FILING DATE.

10 (c) "TEMPORARY REFUND AMOUNT" MEANS:

11 (I) FOUR HUNDRED DOLLARS FOR A QUALIFIED INDIVIDUAL FILING
12 A SINGLE STATE INCOME TAX RETURN OR WHO APPLIES FOR A GRANT
13 PURSUANT TO ARTICLE 31 OF THIS TITLE 39 AND EIGHT HUNDRED DOLLARS
14 FOR TWO QUALIFIED INDIVIDUALS FILING A JOINT STATE INCOME TAX
15 RETURN OR WHO APPLY FOR A GRANT PURSUANT TO ARTICLE 31 OF THIS
16 TITLE 39; OR

17 (II) THE ADJUSTED AMOUNT SET BY THE EXECUTIVE DIRECTOR
18 PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION.

19 (d) "TOTAL EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT
20 OF THE STATE REVENUES PROJECTED TO BE IN EXCESS OF THE LIMITATION
21 OF STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF
22 ARTICLE X OF THE STATE CONSTITUTION THAT THE STATE IS REQUIRED TO
23 REFUND UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE
24 CONSTITUTION, INCLUDING ANY AMOUNT SPECIFIED IN SECTION
25 24-77-103.8, FOR STATE FISCAL YEAR 2021-22.

26 (2) (a) IF, FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1,
27 2021, THERE ARE ADDITIONAL EXCESS STATE REVENUES, THEN THERE

1 SHALL BE ALLOWED A REFUND TO EACH QUALIFIED INDIVIDUAL OF THE
2 TEMPORARY REFUND AMOUNT.

3 (b) IF THE REQUIREMENTS SET FORTH IN SUBSECTION (2)(a) OF THIS
4 SECTION ARE MET, THEN NO LATER THAN SEPTEMBER 30, 2022, THE
5 DEPARTMENT OF REVENUE SHALL ISSUE TO EACH QUALIFIED INDIVIDUAL
6 AND TO EACH JOINT FILING OR GRANT APPLICANT PAIR OF QUALIFIED
7 INDIVIDUALS A REIMBURSEMENT WARRANT FOR THE APPLICABLE
8 TEMPORARY REFUND AMOUNT PAID FROM THE GENERAL FUND; EXCEPT
9 THAT, FOR A QUALIFIED INDIVIDUAL DESCRIBED IN SUBSECTION (1)(b)(II)
10 OF THIS SECTION, THE DEPARTMENT OF REVENUE SHALL ISSUE A
11 REIMBURSEMENT WARRANT PURSUANT TO THIS SUBSECTION (2)(b) NO
12 LATER THAN JANUARY 31, 2023.

13 (c) ON OR BEFORE AUGUST 1, 2022, THE EXECUTIVE DIRECTOR
14 SHALL CERTIFY THE TEMPORARY REFUND AMOUNT. THE DEPARTMENT OF
15 REVENUE SHALL ISSUE AND MAIL THE REFUND WARRANT FOR THE
16 TEMPORARY REFUND AMOUNT TO THE MOST RECENT CORRECT MAILING
17 ADDRESS PROVIDED BY THE QUALIFIED INDIVIDUAL.

18 (d) (I) IF BEFORE JUNE 30, 2022, AND BASED ON THE LATEST
19 PROJECTIONS UPDATED FOR ACTUAL STATE REVENUES RECEIVED THROUGH
20 APRIL 30, 2022, THE PROJECTED AGGREGATE TEMPORARY REFUND
21 AMOUNT BASED ON THE REFUND AMOUNTS SET FORTH IN SUBSECTION
22 (1)(c)(I) OF THIS SECTION PLUS AMOUNTS PROJECTED TO BE REFUNDED
23 PURSUANT TO SECTIONS 39-3-209 AND 39-22-627 WILL CAUSE THE STATE
24 TO REFUND LESS THAN EIGHTY-FIVE PERCENT OF THE TOTAL EXCESS STATE
25 REVENUES PURSUANT TO THIS SECTION, THEN THE EXECUTIVE DIRECTOR,
26 IN CONSULTATION WITH LEGISLATIVE COUNCIL STAFF, SHALL INCREASE
27 THE TEMPORARY REFUND AMOUNT IN A MANNER THAT MAINTAINS AN

1 EQUAL TEMPORARY REFUND FOR EVERY QUALIFIED INDIVIDUAL THAT IS
2 DOUBLED FOR EACH PAIR OF QUALIFIED INDIVIDUALS FILING A JOINT
3 RETURN OR APPLYING JOINTLY FOR A GRANT PURSUANT TO ARTICLE 31 OF
4 THIS TITLE 39 SO THAT THE AGGREGATE AMOUNT REFUNDED PURSUANT TO
5 THIS SECTION PLUS AMOUNTS PROJECTED TO BE REFUNDED PURSUANT TO
6 SECTIONS 39-3-209 AND 39-22-627 IS APPROXIMATELY EQUAL TO
7 EIGHTY-FIVE PERCENT OF THE TOTAL EXCESS STATE REVENUES.

8 (II) IF BEFORE JUNE 30, 2022, AND BASED ON THE LATEST
9 PROJECTIONS UPDATED FOR ACTUAL STATE REVENUES RECEIVED THROUGH
10 APRIL 30, 2022, THE PROJECTED AGGREGATE TEMPORARY REFUND
11 AMOUNT BASED ON THE REFUND AMOUNTS SET FORTH IN SUBSECTION
12 (1)(c)(I) OF THIS SECTION PLUS AMOUNTS PROJECTED TO BE REFUNDED
13 PURSUANT TO SECTIONS 39-3-209 AND 39-22-627 WILL CAUSE THE STATE
14 TO REFUND MORE THAN EIGHTY-SEVEN PERCENT OF THE TOTAL EXCESS
15 STATE REVENUES PURSUANT TO THIS SECTION, THEN THE EXECUTIVE
16 DIRECTOR, IN CONSULTATION WITH LEGISLATIVE COUNCIL STAFF, MAY
17 DECREASE THE TEMPORARY REFUND AMOUNT TO AVOID AN OVER-REFUND,
18 AS DEFINED IN SECTION 24-77-103.7 (1). IF THE EXECUTIVE DIRECTOR
19 DETERMINES THAT A DECREASE TO THE TEMPORARY REFUND AMOUNT SET
20 FORTH IN SUBSECTION (1)(c)(I) OF THIS SECTION SHOULD BE MADE, THE
21 EXECUTIVE DIRECTOR SHALL MAKE THE DECREASE IN A MANNER THAT
22 MAINTAINS AN EQUAL TEMPORARY REFUND FOR EVERY QUALIFIED
23 INDIVIDUAL THAT IS DOUBLED FOR EACH PAIR OF QUALIFIED INDIVIDUALS
24 FILING A JOINT RETURN OR APPLYING JOINTLY FOR A GRANT PURSUANT TO
25 ARTICLE 31 OF THIS TITLE 39.

26 (III) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
27 (2)(d), THE EXECUTIVE DIRECTOR SHALL ADJUST THE TEMPORARY REFUND

1 AMOUNT UNDER THIS SUBSECTION (2)(d) TO THE NEAREST FIFTY DOLLAR
2 INCREMENT.

3 (3) THE EXECUTIVE DIRECTOR, IN CONSULTATION WITH
4 LEGISLATIVE COUNCIL STAFF, SHALL CALCULATE THE AGGREGATE
5 TEMPORARY REFUND AMOUNT ESTIMATED TO BE ALLOWED TO QUALIFIED
6 INDIVIDUALS DESCRIBED IN SUBSECTION (1)(b)(II) OF THIS SECTION,
7 WHICH AMOUNT MUST BE HELD IN RESERVE TO MAKE REFUNDS TO THOSE
8 QUALIFIED INDIVIDUALS AND SHALL NOT BE REFUNDED PURSUANT TO
9 SECTION 39-22-2002.

10 (4) THE REFUND OF EXCESS STATE REVENUES FROM ALL SOURCES
11 ALLOWED UNDER THIS SECTION IS A REASONABLE METHOD OF REFUNDING
12 A PORTION OF THE EXCESS STATE REVENUES REQUIRED TO BE REFUNDED
13 IN ACCORDANCE WITH SECTION 20 (7)(d) OF ARTICLE X OF THE STATE
14 CONSTITUTION.

15 (5) (a) THE REFUND OF EXCESS STATE REVENUE FROM ALL
16 SOURCES ALLOWED TO ANY QUALIFIED INDIVIDUAL UNDER THIS SECTION
17 SHALL NOT BE REPORTED BY THE DEPARTMENT OF REVENUE AS A
18 PAYMENT OF A REFUND, CREDIT, OR OFFSET OF STATE INCOME TAXES TO
19 THE QUALIFIED INDIVIDUAL IN ANY INFORMATION RETURN REQUIRED TO
20 BE FILED PURSUANT TO FEDERAL LAW.

21 (b) THE REFUND OF EXCESS STATE REVENUE FROM ALL SOURCES
22 SET FORTH IN THIS SECTION IS SUBJECT TO THE PROVISIONS UNDER SECTION
23 39-21-108 FOR A QUALIFIED INDIVIDUAL TO THE EXTENT OF ANY UNPAID
24 BALANCE OR UNPAID DEBT AS SET FORTH IN SECTION 39-21-108 (3).

25 (c) A TAX PREPARER IS NOT LIABLE IF THE PREPARER IS UNABLE TO
26 FILE A TAXPAYER'S 2021 STATE INCOME TAX RETURN BY JUNE 30, 2022,
27 WHEN A TAXPAYER TIMELY FILED, AND WAS GRANTED, A TAX EXTENSION

1 AS LONG AS THE TAX PREPARER FILES THE TAX RETURN BY OCTOBER 17,
2 2022.

3 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

4 **SECTION 3.** In Colorado Revised Statutes, 39-22-605, **amend**
5 (2)(c) as follows:

6 **39-22-605. Failure by individual to pay estimated income tax.**

7 (2) As used in this section, unless the context otherwise requires:

8 (c) "Tax" or "tax liability" means the tax imposed under this
9 article minus the credits against tax provided by this article other than the
10 credits against tax for withholding pursuant to sections 39-22-601 (4),
11 39-22-604, and 39-22-604.5 and THE credits against tax for the sales tax
12 refund pursuant to section 39-22-2003 AND THE REFUND OF EXCESS STATE
13 REVENUES FROM ALL SOURCES PURSUANT TO SECTION 39-22-2004.

14 == ==

15 **SECTION 4. Appropriation.** (1) For the 2022-23 state fiscal
16 year, \$2,578,995 is appropriated to the department of revenue. This
17 appropriation is from the general fund. To implement this act, the
18 department may use this appropriation as follows:

19 (a) \$564,487 for use by the taxation business group for personal
20 services related to taxation services, which amount is based on an
21 assumption that the division will require an additional 11.5 FTE;

22 (b) \$89,925 for use by the taxation business group for operating
23 expenses related to taxation services;

24 (c) \$1,715,635 for the purchase of document management services;

25 (d) \$196,148 for tax administration IT system (GenTax) support;

26 and

27 (e) \$12,800 for use by the executive director's office for personal

1 services related to administration and support.

2 (2) For the 2022-23 state fiscal year, \$1,715,635 is appropriated to
3 the department of personnel. This appropriation is from reappropriated
4 funds received from the department of revenue under subsection (1)(c) of
5 this section. To implement this act, the department of personnel may use
6 this appropriation to provide document management services for the
7 department of revenue. ■

8 **SECTION 5. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety.