

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0742.01 Jed Franklin x5484

HOUSE BILL 23-1129

HOUSE SPONSORSHIP

Bradley,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX CREDIT FOR AN ELIGIBLE**
102 **PURCHASER'S INSTALLATION OF A LIFEBOUY APPARATUS.**

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 establishes a state income tax credit for the purchase and installation of a lifebuoy apparatus in a subdivision with a body of water beginning January 1, 2023. The tax credit is for \$1,500 per lifebuoy apparatus purchased and installed in the subdivision by an eligible purchaser. The tax credit may be claimed only once per lifebuoy apparatus and is not refundable, but may be carried forward up to 5 years.

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.*

An eligible purchaser must certify to the department of revenue each lifebuoy apparatus purchased and installed during each tax year for which the credit is claimed.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-549 as
3 follows:

4 **39-22-549. Credit - eligible property owners - lifebuoy**
5 **apparatus - tax preference performance statement - short title -**
6 **definitions - repeal.** (1) THE SHORT TITLE OF THIS SECTION IS THE
7 "DYLLAN WHITTENBURG ACT".

8 (2) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
9 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
10 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
11 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY DECLARES THAT THE
12 PURPOSE OF THE TAX CREDIT CREATED IN THIS SECTION IS TO INDUCE
13 CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS, SPECIFICALLY THE
14 PURCHASE AND INSTALLATION OF LIFEBOUY APPARATUSES. THE GENERAL
15 ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS
16 OF THE CREDIT IN ACHIEVING THIS PURPOSE BASED ON THE NUMBER OF
17 CREDITS THAT ARE CLAIMED.

18 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (a) "BODY OF WATER" MEANS A RESERVOIR OR NATURAL LAKE.

21 (b) "DEVELOPER" MEANS ANY PERSON, AS DEFINED IN SECTION
22 2-4-401 (8), THAT PARTICIPATES AS OWNER IN THE SALE OR LEASE OF A
23 SUBDIVISION OR ANY PART OF A SUBDIVISION.

24 (c) "ELIGIBLE PURCHASER" MEANS A DEVELOPER THAT

1 CONSTRUCTS A SUBDIVISION THAT INCLUDES A BODY OF WATER WITH A
2 LIFEBOUY APPARATUS INSTALLED BY THE DEVELOPER.

3 (d) "LIFEBOUY APPARATUS" MEANS AN IMMEDIATELY AVAILABLE
4 AND DEPLOYABLE LIFE SAVING FLOATATION DEVICE THAT IS INTENDED TO
5 PREVENT A PERSON FROM DROWNING IN A BODY OF WATER, IS AFFIXED BY
6 A HOOK TO A WOODEN POLE THAT IS AT LEAST SIX INCHES WIDE, SIX
7 INCHES LONG, AND EIGHT FEET TALL, AND IS SUNKEN INTO AT LEAST TWO
8 CUBIC FEET OF CONCRETE THAT IS SITUATED IN THE GROUND WITHIN FIVE
9 FEET OF THE SHORELINE OF THE BODY OF WATER.

10 (e) "SUBDIVISION" MEANS ANY REAL PROPERTY IN COLORADO
11 THAT IS DIVIDED INTO TWENTY OR MORE INTERESTS THAT ARE INTENDED
12 SOLELY FOR RESIDENTIAL USE AND ARE OFFERED FOR SALE, LEASE, OR
13 TRANSFER.

14 (4) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
15 1, 2023, AND, NOTWITHSTANDING THE REQUIREMENT SET FORTH IN
16 SECTION 39-21-304(4) THAT A NEW TAX EXPENDITURE INCLUDE A REPEAL
17 AFTER A SPECIFIED NUMBER OF YEARS, FOR EACH INCOME TAX YEAR
18 THEREAFTER, AN ELIGIBLE PURCHASER IS ALLOWED A CREDIT AGAINST THE
19 INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO ONE
20 THOUSAND FIVE HUNDRED DOLLARS FOR EACH LIFEBOUY APPARATUS THAT
21 THE ELIGIBLE PURCHASER PURCHASES AND INSTALLS IN A SUBDIVISION;
22 EXCEPT THAT THE MAXIMUM AMOUNT OF THE CREDIT FOR AN ELIGIBLE
23 PURCHASER PER INCOME TAX YEAR IS EQUAL TO THE NUMBER OF LIFEBOUY
24 APPARATUSES NECESSARY FOR PREVENTION OF DROWNING IN A BODY OF
25 WATER LOCATED IN A SUBDIVISION, MULTIPLIED BY ONE THOUSAND FIVE
26 HUNDRED DOLLARS.

27 (5) NO MORE THAN ONE TAX CREDIT PER LIFEBOUY APPARATUS

1 MAY BE CLAIMED PURSUANT TO THIS SECTION.

2 (6) A TAX CREDIT ALLOWED PURSUANT TO THIS SECTION IS FOR
3 THE INCOME TAX YEAR IN WHICH THE LIFEBOUY APPARATUS IS INSTALLED.

4 (7) AN ELIGIBLE PURCHASER CLAIMING A TAX CREDIT PURSUANT
5 TO THIS SECTION SHALL CERTIFY, IN A FORM AND MANNER TO BE
6 DETERMINED BY THE DEPARTMENT OF REVENUE, EACH LIFEBOUY
7 APPARATUS INSTALLED BY THE ELIGIBLE PURCHASER DURING THE INCOME
8 TAX YEAR FOR WHICH THE TAX CREDIT IS CLAIMED.

9 (8) IF THE AMOUNT OF THE ALLOWED TAX CREDIT EXCEEDS THE
10 AMOUNT OF INCOME TAXES OTHERWISE DUE IN THE INCOME TAX YEAR FOR
11 WHICH THE CREDIT IS CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS
12 AN OFFSET AGAINST INCOME TAXES IN THAT INCOME TAX YEAR MAY BE
13 CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME
14 TAX LIABILITY FOR A PERIOD NOT EXCEEDING FIVE YEARS AND MUST BE
15 APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY
16 CREDIT REMAINING AFTER THE PERIOD MAY NOT BE REFUNDED OR
17 CREDITED TO THE ELIGIBLE PURCHASER.

18 (9) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

19 **SECTION 2.** In Colorado Revised Statutes, 39-21-304, **amend**
20 (4) as follows:

21 **39-21-304. Tax expenditure - tax preference performance**
22 **statement - tax expenditure repeal requirement.** (4) On and after
23 January 1, 2021, EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-549,
24 any bill that creates a new tax expenditure must include a repeal of the
25 expenditure after a specified period of tax years and any bill that extends
26 an expiring tax expenditure must extend the expenditure for a specified
27 period of tax years. A bill that creates a new tax expenditure or extends

1 an expiring tax expenditure may not establish the tax expenditure for an
2 indefinite period of time.

3 **SECTION 3. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.