

CHAPTER 48

TAXATION

HOUSE BILL 23-1006

BY REPRESENTATIVE(S) Young and Daugherty, Amabile, Bacon, Boesenecker, Brown, Dickson, Duran, Epps, Garcia, Gonzales-Gutierrez, Jodeh, Joseph, Lindsay, Lindstedt, Mabrey, Sirota, Velasco, Weissman, Woodrow; also SENATOR(S) Exum, Buckner, Coleman, Cutter, Danielson, Fields, Ginal, Hinrichsen, Jaquez Lewis, Marchman, Moreno, Priola, Winter F., Fenberg.

AN ACT

CONCERNING THE NOTICE REQUIREMENTS OF EMPLOYERS REGARDING INCOME TAX CREDITS, AND, IN CONNECTION THEREWITH, REQUIRING EMPLOYERS TO NOTIFY EMPLOYEES OF THE AVAILABILITY OF THE FEDERAL EARNED INCOME TAX CREDIT, THE STATE EARNED INCOME TAX CREDIT, THE FEDERAL CHILD TAX CREDIT, AND THE STATE CHILD TAX CREDIT.

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

SECTION 1. In Colorado Revised Statutes, 39-22-604, **add** (6)(c) as follows:

39-22-604. Withholding tax - requirement to withhold - tax lien - exemption from lien - annual statement - notice - definitions. (6) (c) FOR THE INCOME TAX YEARS COMMENCING ON AND AFTER JANUARY 1, 2023, AN EMPLOYER SHALL PROVIDE, IN ADDITION TO THE ANNUAL STATEMENT ISSUED PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION, WRITTEN NOTICE TO ALL EMPLOYEES OF THE AVAILABILITY OF THE FEDERAL EARNED INCOME TAX CREDIT ALLOWED PURSUANT TO SECTION 32 OF THE INTERNAL REVENUE CODE, THE STATE EARNED INCOME TAX CREDIT ALLOWED PURSUANT TO SECTION 39-22-123.5, THE FEDERAL CHILD TAX CREDIT ALLOWED PURSUANT TO SECTION 24 OF THE INTERNAL REVENUE CODE, AND THE STATE CHILD TAX CREDIT ALLOWED PURSUANT TO SECTION 39-22-129. THE EMPLOYER MUST PROVIDE THE WRITTEN NOTICE AT LEAST ONCE ANNUALLY AND MAY PROVIDE THE WRITTEN NOTICE TO EMPLOYEES ELECTRONICALLY, INCLUDING VIA AN ELECTRONIC MAIL MESSAGE OR A TEXT MESSAGE. THE WRITTEN NOTICE MUST:

(I) BE WRITTEN IN ENGLISH AND IN ANY OTHER LANGUAGE THAT THE EMPLOYER TYPICALLY USES TO COMMUNICATE WITH THE EMPLOYEE TO WHOM THE NOTICE IS SENT; AND

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(II) INCLUDE ANY CONTENT THAT THE DEPARTMENT PRESCRIBES AS NECESSARY FOR AN EMPLOYER TO MEET THE WRITTEN NOTICE REQUIREMENT PURSUANT TO THIS SUBSECTION (6)(c). IF THE DEPARTMENT DETERMINES THAT ADDITIONAL CONTENT IS NECESSARY, THE DEPARTMENT SHALL PROMULGATE RULES SPECIFYING THE ADDITIONAL CONTENT.

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; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: March 31, 2023