

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0952.01 Jed Franklin x5484

HOUSE BILL 24-1288

HOUSE SPONSORSHIP

Rutinel,

SENATE SPONSORSHIP

(None),

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEANS OF INCREASING THE NUMBER OF CLAIMS FOR**
102 **CERTAIN INCOME TAX CREDITS THAT SUPPORT CHILDREN, AND,**
103 **IN CONNECTION 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>.)

The bill requires the department of revenue (department) to share the contact information of a resident individual who claimed the earned income tax credit or the child tax credit, or both, on or before July 1 of each year with the department of early childhood, the department of health care policy and financing, the department of human services, the

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.*

department of local affairs, and the department of public health and environment, if requested. The information disclosed remains confidential, and the recipient departments may only use it for the purpose of benefit outreach

The bill also requires the department to create a pilot program to assist resident individuals who have not filed a federal income tax return for the 2022 income tax year in claiming the earned income tax credit (credit) for the 2022 income tax year. The department must select and collaborate with a third-party entity to identify resident individuals who may have been eligible for the credit in 2022 but did not file a federal income tax return in 2022. The third-party entity will create a prefilled form for each resident individual who may be eligible for the pilot program. The pilot program must begin no later than 8 months after the internal revenue service has approved it.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-21-113, **add** (34)
3 as follows:

4 **39-21-113. Reports and returns - rule - repeal.**
5 (34) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ON
6 OR BEFORE JULY 1, 2025, AND ON OR BEFORE EVERY JULY 1 THEREAFTER,
7 IF REQUESTED, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
8 REVENUE SHALL PROVIDE THE DEPARTMENT OF EARLY CHILDHOOD, THE
9 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE DEPARTMENT
10 OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL AFFAIRS, **THE**
11 **DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF LABOR AND**
12 **EMPLOYMENT, THE BEHAVIORAL HEALTH ADMINISTRATION, THE**
13 **DEPARTMENT OF HIGHER EDUCATION,** AND THE DEPARTMENT OF PUBLIC
14 HEALTH AND ENVIRONMENT **INFORMATION FOR EACH RESIDENT**
15 **INDIVIDUAL WHO CLAIMED THE CREDIT ALLOWED BY SECTION**
16 **39-22-123.5, THE CREDIT ALLOWED BY SECTION 39-22-129, OR BOTH**
17 **CREDITS, FOR THE 2024 INCOME TAX YEAR OR ANY SUBSEQUENT TAX YEAR**

1 FOR THE PURPOSE OF BENEFIT OUTREACH BY THE REQUESTING
2 DEPARTMENT, INCLUDING SHARING INFORMATION ABOUT HOW TO ENROLL,
3 THE INFORMATION NECESSARY TO ENROLL, AND WHEN POSSIBLE ASSISTING
4 WITH THE APPLICATION PROCESS. INFORMATION SHALL INCLUDE NAME,
5 ADDRESS, AND, WHEN AVAILABLE, EMAIL ADDRESS AND PHONE NUMBER.
6 WHEN POSSIBLE, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
7 REVENUE SHALL PROVIDE ADDITIONAL INFORMATION THAT MAY ASSIST
8 WITH DETERMINING ELIGIBILITY FOR THE BENEFITS ADMINISTERED BY THE
9 RESPECTIVE DEPARTMENT.

10 (b) THE INFORMATION THAT THE EXECUTIVE DIRECTOR IS
11 REQUIRED TO PROVIDE PURSUANT TO THIS SUBSECTION (34) IS SUBJECT TO
12 ANY LIMITATIONS IMPOSED PURSUANT TO SECTION 6103 OF THE FEDERAL
13 "INTERNAL REVENUE CODE OF 1986", AS AMENDED. THE REQUESTING
14 AGENCY SHALL SECURE THE [REDACTED] INFORMATION AS REQUIRED BY THIS
15 SUBSECTION (34) AND SHALL USE THE [REDACTED] INFORMATION FOR THE PURPOSES
16 DESCRIBED IN SUBSECTION (34)(a) OF THIS SECTION.

17 (c) ANY INFORMATION PROVIDED TO THE DEPARTMENT OF EARLY
18 CHILDHOOD, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING,
19 THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL
20 AFFAIRS, THE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF LABOR
21 AND EMPLOYMENT, THE BEHAVIORAL HEALTH ADMINISTRATION, THE
22 DEPARTMENT OF HIGHER EDUCATION, OR THE DEPARTMENT OF PUBLIC
23 HEALTH AND ENVIRONMENT PURSUANT TO THIS SUBSECTION (34) REMAINS
24 CONFIDENTIAL, AND ALL AGENTS, CLERKS, AND EMPLOYEES OF THE
25 DEPARTMENT OF EARLY CHILDHOOD, THE DEPARTMENT OF HEALTH CARE
26 POLICY AND FINANCING, THE DEPARTMENT OF HUMAN SERVICES, THE
27 DEPARTMENT OF LOCAL AFFAIRS, AND THE DEPARTMENT OF PUBLIC

1 HEALTH AND ENVIRONMENT ARE SUBJECT TO THE LIMITATIONS SET FORTH
2 IN SUBSECTION (4) OF THIS SECTION AND THE PENALTIES CONTAINED IN
3 SUBSECTION (6) OF THIS SECTION TO THE SAME EXTENT AS AGENTS,
4 CLERKS, AND EMPLOYEES OF THE DEPARTMENT.

5 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-123.7 as
6 follows:

7 **39-22-123.7. Earned income tax credit - pilot program -**
8 **pre-populated tax return - rules - repeal.** (1) THERE IS CREATED IN THE
9 DEPARTMENT OF REVENUE A PILOT PROGRAM TO ASSIST UP TO ONE
10 HUNDRED THOUSAND HOUSEHOLDS IN FILING OR AMENDING A FEDERAL
11 INCOME TAX RETURN, A STATE INCOME TAX RETURN, OR BOTH, AND
12 CLAIMING THE FEDERAL AND STATE EARNED INCOME TAX OR CHILD TAX
13 CREDITS FOR UP TO TWO PRIOR TAX YEARS. DEPENDING UPON THE
14 AVAILABLE RESOURCES OF THE THIRD-PARTY ENTITY DESCRIBED IN
15 SUBSECTION (2) OF THIS SECTION, THE PILOT PROGRAM SHALL:

16 (a) ASSIST RESIDENT INDIVIDUALS IN FILING A FEDERAL OR STATE
17 INCOME TAX RETURN AND CLAIMING THE FEDERAL OR STATE EARNED
18 INCOME TAX CREDIT, THE FEDERAL OR STATE CHILD TAX CREDIT, OR BOTH,
19 FOR UP TO TWO PRIOR TAX YEARS; OR

20 (b) ASSIST RESIDENT INDIVIDUALS IN AMENDING THEIR FEDERAL
21 INCOME TAX RETURNS, THEIR STATE INCOME TAX RETURNS, OR BOTH, FOR
22 UP TO TWO PRIOR TAX YEARS IN ORDER TO CLAIM THE FEDERAL AND STATE
23 EARNED INCOME TAX AND CHILD TAX CREDITS.

24 (2) AS THIRD-PARTY RESOURCES ALLOW, A THIRD-PARTY ENTITY
25 SHALL CREATE A PRE-POPULATED FEDERAL OR STATE INCOME TAX
26 RETURN, OR BOTH, FOR ONE OF THE TWO OPTIONS DESCRIBED IN
27 SUBSECTION (1) OF THIS SECTION FOR UP TO ONE HUNDRED THOUSAND

1 RESIDENT HOUSEHOLDS THAT APPEAR TO QUALIFY FOR THE EARNED
2 INCOME TAX CREDIT OR CHILD TAX CREDIT IN UP TO TWO PRIOR TAX
3 YEARS. FOR PARTICIPATING RESIDENTS, THE THIRD-PARTY ENTITY MAY
4 ALSO PRE-POPULATE OTHER PARTS OF THE TAX RETURNS USING
5 INFORMATION PROVIDED BY THE RESIDENT FOR COMPLETING NECESSARY
6 TAX CREDIT APPLICATIONS, AND, WHERE POSSIBLE, SUBMIT THE
7 PRE-POPULATED FORMS TO THE DEPARTMENT OF REVENUE OR INTERNAL
8 REVENUE SERVICE, AS APPLICABLE.

9 (3) (a) TO DEVELOP, IMPLEMENT, AND ADMINISTER THE PILOT
10 PROGRAM DESCRIBED IN THIS SECTION, THE DEPARTMENT OF REVENUE
11 SHALL:

12 (I) COLLABORATE WITH A THIRD-PARTY ENTITY TO IDENTIFY THE
13 POPULATION OF UP TO ONE HUNDRED THOUSAND RESIDENT HOUSEHOLDS
14 WHO MAY BE ELIGIBLE TO CLAIM THE PRIOR YEAR TAX CREDITS IDENTIFIED
15 IN SUBSECTION (1) OF THIS SECTION;

16 (II) NOTIFY THE HOUSEHOLDS IDENTIFIED PURSUANT TO
17 SUBSECTION (3)(a)(I) OF THIS SECTION ABOUT THE AVAILABILITY OF THE
18 PILOT PROGRAM AND INSTRUCT THEM ON HOW TO ACCESS THE PROGRAM
19 AND PROVIDE THE CONSENT REQUIRED BY SUBSECTION (3)(a)(III) OF THIS
20 SECTION;

21 (III) DEVELOP A MECHANISM TO SHARE WAGE DATA WITH THE
22 THIRD-PARTY ENTITY; AND

23 (IV) DEVELOP A SYSTEM FOR RESIDENT INDIVIDUALS TO
24 DIGITALLY CONSENT TO HAVING WAGE DATA SHARED WITH THE
25 THIRD-PARTY ENTITY.

26 (b) THE DEPARTMENT OF REVENUE MAY SEEK, ACCEPT, AND
27 EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES

1 FOR THE PURPOSES OF THIS SECTION.

2 (c) AS RESOURCES PERMIT, THE DEPARTMENT OF REVENUE MAY
3 COLLABORATE WITH THE INTERNAL REVENUE SERVICE.

4 (d) THE DEPARTMENT OF REVENUE SHALL DEVELOP, IMPLEMENT,
5 AND BEGIN TO ADMINISTER THE PILOT PROGRAM NO LATER THAN AUGUST
6 15, 2025.

7 (4) (a) INFORMATION THAT THE DEPARTMENT OF REVENUE MAY
8 PROVIDE PURSUANT TO THIS SECTION IS SUBJECT TO ANY LIMITATIONS
9 IMPOSED PURSUANT TO SECTION 6103 OF THE INTERNAL REVENUE CODE.
10 THE [REDACTED] THIRD-PARTY ENTITY SHALL SECURE THE INFORMATION SHARED
11 PURSUANT TO THIS SECTION. [REDACTED]

12 (b) INFORMATION PROVIDED TO THE [REDACTED] THIRD-PARTY ENTITY
13 PURSUANT TO THIS SECTION REMAINS CONFIDENTIAL, AND ALL AGENTS,
14 CLERKS, AND EMPLOYEES OF THE [REDACTED] THIRD-PARTY ENTITY ARE SUBJECT TO
15 THE LIMITATIONS SET FORTH IN SECTION 39-21-113 (4) AND THE
16 PENALTIES CONTAINED IN SECTION 39-21-113 (6) TO THE SAME EXTENT AS
17 AGENTS, CLERKS, AND EMPLOYEES OF THE DEPARTMENT OF REVENUE.

18 (5) THE THIRD-PARTY ENTITY SELECTED PURSUANT TO
19 SUBSECTION (1)(a) SHALL PROVIDE A WRITTEN REPORT TO MEMBERS OF
20 THE SENATE AND HOUSE FINANCE COMMITTEES NO LATER THAN
21 DECEMBER 15, 2025. THE REPORT SHALL PROVIDE INFORMATION THAT
22 INCLUDES:

23 (a) THE NUMBER OF PRE-POPULATED FEDERAL INCOME TAX
24 RETURNS COMPLETED;

25 (b) THE TOTAL NUMBER OF EACH TAX CREDIT CLAIMED AS A
26 RESULT OF THE PILOT PROGRAM SET FORTH IN THIS SECTION;

27 (c) AN ESTIMATE OF THE AMOUNT OF MONEY CLAIMED THROUGH

1 THE PILOT PROGRAM SET FORTH IN THIS SECTION;

2 (d) THE NUMBER OF RETURNS THAT WERE SUPPORTED THROUGH
3 INFORMATION SHARED PURSUANT TO THIS SECTION; AND

4 (e) RECOMMENDATIONS FOR IMPROVING AND CONTINUING THE
5 PILOT PROGRAM.

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

7 **SECTION 3.** In Colorado Revised Statutes, 26-2-104, **add** (1)(c)
8 as follows:

9 **26-2-104. Public assistance programs - automatic enrollment**
10 **- electronic benefits transfer service - joint reports with department**
11 **of revenue - signs - rules - definitions.** (1) (c) (I) NOTWITHSTANDING
12 ANY OTHER PROVISION OF LAW, A STATE, LOCAL, OR TRIBAL GOVERNMENT
13 MAY USE ANY DATA OR INFORMATION IN ITS POSSESSION TO
14 AUTOMATICALLY ENROLL, OR SEND A NOTICE OF POTENTIAL ELIGIBILITY
15 TO ENROLL TO, ANY INDIVIDUAL OR HOUSEHOLD REGARDING ANY BENEFIT
16 PROGRAM.

17 (II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A STATE,
18 LOCAL, OR TRIBAL GOVERNMENT MAY REQUEST AN INDIVIDUAL OR
19 HOUSEHOLD ATTEST TO RECEIVING SUPPORT FROM A BENEFIT PROGRAM OR
20 OTHERWISE PROVIDE PROOF OF THE INDIVIDUAL'S OR HOUSEHOLD'S
21 ENROLLMENT IN ANY BENEFIT PROGRAM WITH THE SAME OR MORE
22 RESTRICTIVE ENROLLMENT REQUIREMENTS AS EVIDENCE TO ENROLL AN
23 INDIVIDUAL OR HOUSEHOLD IN ANY OTHER BENEFIT PROGRAM.

24 (III) FOR THE PURPOSES OF THIS SUBSECTION (1)(c), UNLESS THE
25 CONTEXT OTHERWISE REQUIRES:

26 (A) "BENEFIT PROGRAM" MEANS ANY FEDERALLY, STATE, OR
27 LOCALLY FUNDED PROGRAM INTENDED TO PROVIDE ASSISTANCE OR

1 SUPPORT TO AN INDIVIDUAL OR HOUSEHOLD. "BENEFIT PROGRAM" DOES
2 NOT INCLUDE MONETARY ASSISTANCE OR SUPPORT THAT IS CLAIMED BY
3 AN INDIVIDUAL OR HOUSEHOLD WHEN FILING AN INCOME TAX RETURN.

4 (B) "STATE, LOCAL, OR TRIBAL GOVERNMENT" MEANS THE STATE,
5 A MUNICIPALITY, COUNTY, CITY AND COUNTY, OR FEDERALLY RECOGNIZED
6 TRIBAL NATION WITH LAND INSIDE OF THE STATE.

7 **SECTION 4. Appropriation.** (1) For the 2024-25 state fiscal
8 year, \$167,585 is appropriated to the department of revenue. This
9 appropriation is from the general fund. To implement this act, the
10 department may use this appropriation as follows:

11 (a) \$136,733 for tax administration IT system (GenTax) support;

12 (b) \$14,752 for use by the taxation business group for personal
13 services related to taxation services; and

14 (c) \$16,100 for use by the executive director's office for personal
15 services related to administration and support.

16 **SECTION 5. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly; except
19 that, if a referendum petition is filed pursuant to section 1 (3) of article V
20 of the state constitution against this act or an item, section, or part of this
21 act within such period, then the act, item, section, or part will not take
22 effect unless approved by the people at the general election to be held in
23 November 2024 and, in such case, will take effect on the date of the
24 official declaration of the vote thereon by the governor.