

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

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

LLS NO. 18-0631.01 Ed DeCecco x4216

HOUSE BILL 18-1060

HOUSE SPONSORSHIP

Danielson and Landgraf, Becker J., Lundeen, McKean, Rankin, Reyher, Thurlow,
Williams D., Wilson, Wist

SENATE SPONSORSHIP

Crowder and Williams A.,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX DEDUCTION FOR MILITARY**
102 **RETIREMENT BENEFITS FOR AN INDIVIDUAL WHO IS UNDER**
103 **FIFTY-FIVE YEARS OF AGE.**

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 starting point for determining state income tax liability is federal taxable income. This number is adjusted for additions and subtractions (deductions) that are used to determine Colorado taxable income, which amount is multiplied by the state's 4.63% income tax rate. The bill allows an individual who is under 55 years old to claim a

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 9, 2018

SENATE
Amended 2nd Reading
May 8, 2018

HOUSE
3rd Reading Unamended
May 7, 2018

HOUSE
Amended 2nd Reading
May 4, 2018

deduction of up to \$20,000 for the individual's military retirement benefits.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds and declares that the purpose of the tax deduction created by
4 this act is to honor the sacrifice and service of veterans and to create an
5 incentive for more veterans to make their post-military homes in the state.

6 **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **add**
7 (4)(y) as follows:

8 **39-22-104. Income tax imposed on individuals, estates, and**
9 **trusts - single rate - legislative declaration - definitions - repeal.**

10 (4) There shall be subtracted from federal taxable income:

11 (y) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
12 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2024, AN AMOUNT EQUAL TO
13 A QUALIFIED INDIVIDUAL'S MILITARY RETIREMENT BENEFITS INCLUDED
14 IN FEDERAL ADJUSTED GROSS INCOME, BUT NOT TO EXCEED THE
15 FOLLOWING AMOUNTS:

16 (A) FOUR THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX
17 YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO
18 JANUARY 1, 2020;

19 (B) SEVEN THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX
20 YEARS COMMENCING ON OR AFTER JANUARY 1, 2020, BUT PRIOR TO
21 JANUARY 1, 2021;

22 (C) TEN THOUSAND DOLLARS FOR INCOME TAX YEARS
23 COMMENCING ON OR AFTER JANUARY 1, 2021, BUT BEFORE JANUARY 1,
24 2022; OR

25 (D) FIFTEEN THOUSAND DOLLARS FOR INCOME TAX YEARS

1 COMMENCING ON OR AFTER JANUARY 1, 2022, BUT BEFORE JANUARY 1,
2 2024.

3 (II) AS USED IN THIS SUBSECTION (4)(y):

4 (A) "MILITARY RETIREMENT BENEFITS" MEANS ANY RETIREMENT
5 BENEFITS RECEIVED AS A RESULT OF THE INDIVIDUAL'S SERVICE IN THE
6 ARMED FORCES OF THE UNITED STATES.

7 (B) "QUALIFIED INDIVIDUAL" MEANS AN INDIVIDUAL WHO IS
8 UNDER FIFTY-FIVE YEARS OF AGE AT THE CLOSE OF THE TAXABLE YEAR.

9 **SECTION 3. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2018 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.