

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0466.02 Ed DeCecco x4216

HOUSE BILL 18-1208

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HOUSE SPONSORSHIP

Duran and Winter,

SENATE SPONSORSHIP

Martinez Humenik,

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House Committees  
Finance

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE EXPANSION OF THE INCOME TAX CREDIT FOR CHILD  
102 CARE EXPENSES THAT IS A PERCENTAGE OF A SIMILAR FEDERAL  
103 INCOME TAX CREDIT.

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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>.)*

Currently, a resident individual with a federal adjusted gross income of \$60,000 or less is allowed a state income tax credit (state credit) for child care expenses that is a percentage of a similar federal income tax credit claimed (federal credit). The amount of the state credit depends on the individual's adjusted gross income (AGI). If the

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.

individual's AGI is:

- ! \$25,000 or less, then the state credit is 50% of the federal credit;
- ! \$25,001 to \$35,000, then the state credit is 30% of the federal credit; and
- ! \$35,001 to \$60,000, then the state credit is 10% of the federal credit.

The bill expands the state credit by allowing a resident individual with an AGI that is less than or equal to \$150,000 to claim a credit that is equal to 80% of the individual's federal credit.

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

**SECTION 1.** In Colorado Revised Statutes, 39-22-119, **amend** (1)(a) introductory portion, (2), and (3); and **add** (1.7) as follows:

**39-22-119. Expenses related to child care - credits against state tax.** (1) (a) For income tax years beginning on and after January 1, 1996, BUT BEFORE JANUARY 1, 2018, if a resident individual claims a credit for child care expenses on the individual's federal tax return, the individual shall be allowed a child care expenses credit against the income taxes due on the individual's income under this ~~article~~ ARTICLE 22 calculated as follows:

(1.7) FOR INCOME TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2018, IF A RESIDENT INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME IS LESS THAN OR EQUAL TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND THE INDIVIDUAL CLAIMS A CREDIT FOR CHILD CARE EXPENSES ON THE INDIVIDUAL'S FEDERAL TAX RETURN, THEN THE INDIVIDUAL IS ALLOWED A CHILD CARE EXPENSES CREDIT AGAINST THE INCOME TAXES DUE ON THE INDIVIDUAL'S INCOME UNDER THIS ARTICLE 22. THE AMOUNT OF THE CREDIT IS AN AMOUNT EQUAL TO EIGHTY PERCENT OF THE CREDIT FOR CHILD CARE EXPENSES CLAIMED ON THE INDIVIDUAL'S FEDERAL TAX RETURN.

1           (2) If the credits allowed under ~~subsection (1)~~ SUBSECTIONS (1)  
2   AND (1.7) of this section exceed the income taxes due on the resident  
3   individual's income, the amount of the credits not used to offset income  
4   taxes shall not be carried forward as tax credits against the resident  
5   individual's subsequent years' income tax liability and shall be refunded  
6   to the individual.

7           (3) The child care expenses credits allowed under ~~subsection (1)~~  
8   SUBSECTIONS (1) AND (1.7) of this section shall not be allowed to a  
9   resident individual who is receiving child care assistance from the state  
10   department of human services except to the extent of the taxpayer's  
11   unreimbursed out-of-pocket expenses that result in a federal credit for  
12   child care expenses.

13           **SECTION 2. Act subject to petition - effective date.** This act  
14   takes effect at 12:01 a.m. on the day following the expiration of the  
15   ninety-day period after final adjournment of the general assembly (August  
16   8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
17   referendum petition is filed pursuant to section 1 (3) of article V of the  
18   state constitution against this act or an item, section, or part of this act  
19   within such period, then the act, item, section, or part will not take effect  
20   unless approved by the people at the general election to be held in  
21   November 2018 and, in such case, will take effect on the date of the  
22   official declaration of the vote thereon by the governor.