

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

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  
Appropriations

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

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

4 **39-22-119. Expenses related to child care - credits against state**  
5 **tax.** (1) (a) For income tax years beginning on and after January 1, 1996,  
6 BUT BEFORE JANUARY 1, 2018, if a resident individual claims a credit for  
7 child care expenses on the individual's federal tax return, the individual  
8 shall be allowed a child care expenses credit against the income taxes due  
9 on the individual's income under this ~~article~~ ARTICLE 22 calculated as  
10 follows:

11 (1.7) FOR INCOME TAX YEARS BEGINNING ON AND AFTER JANUARY  
12 1, 2018, IF A RESIDENT INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME  
13 IS LESS THAN OR EQUAL TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND  
14 THE INDIVIDUAL CLAIMS A CREDIT FOR CHILD CARE EXPENSES ON THE  
15 INDIVIDUAL'S FEDERAL TAX RETURN, THEN THE INDIVIDUAL IS ALLOWED  
16 A CHILD CARE EXPENSES CREDIT AGAINST THE INCOME TAXES DUE ON THE  
17 INDIVIDUAL'S INCOME UNDER THIS ARTICLE 22. THE AMOUNT OF THE  
18 CREDIT IS AN AMOUNT EQUAL TO EIGHTY PERCENT OF THE CREDIT FOR  
19 CHILD CARE EXPENSES CLAIMED ON THE INDIVIDUAL'S FEDERAL TAX  
20 RETURN.

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

6           (b) IF THE CREDIT ALLOWED UNDER SUBSECTION (1.7) EXCEEDS  
7 THE INCOME TAXES DUE ON THE RESIDENT INDIVIDUAL'S INCOME AND IF  
8 THE RESIDENTIAL INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME IS LESS  
9 THAN OR EQUAL TO SIXTY THOUSAND DOLLARS, THEN THE AMOUNT OF THE  
10 CREDIT NOT USED TO OFFSET INCOME TAXES SHALL NOT BE CARRIED  
11 FORWARD AS TAX CREDITS AGAINST THE RESIDENT INDIVIDUAL'S  
12 SUBSEQUENT YEARS' INCOME TAX LIABILITY AND SHALL BE REFUNDED TO  
13 THE INDIVIDUAL.

14           (c) IF THE CREDIT ALLOWED UNDER SUBSECTION (1.7) EXCEEDS  
15 THE INCOME TAXES DUE ON THE RESIDENT INDIVIDUAL'S INCOME AND IF  
16 THE RESIDENTIAL INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME IS  
17 GREATER THAN SIXTY THOUSAND DOLLARS AND LESS THAN OR EQUAL TO  
18 ONE HUNDRED FIFTY THOUSAND DOLLARS, THEN THE AMOUNT OF THE  
19 CREDIT NOT USED TO OFFSET INCOME TAX LIABILITY FOR THE INCOME TAX  
20 YEAR IS NOT REFUNDED TO THE RESIDENT INDIVIDUAL. THE RESIDENT  
21 INDIVIDUAL MAY CARRY FORWARD AND APPLY THE UNUSED CREDIT  
22 AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE SUCCEEDING INCOME  
23 TAX YEARS, BUT THE RESIDENT INDIVIDUAL SHALL APPLY THE CREDIT  
24 AGAINST THE INCOME TAX DUE FOR THE EARLIEST OF THE INCOME TAX  
25 YEARS POSSIBLE. ANY AMOUNT OF THE TAX CREDIT THAT IS NOT USED  
26 AFTER THIS PERIOD IS NOT REFUNDABLE.

27           (3) The child care expenses credits allowed under subsection (1)

1 SUBSECTIONS (1) AND (1.7) of this section shall not be allowed to a  
2 resident individual who is receiving child care assistance from the state  
3 department of human services except to the extent of the taxpayer's  
4 unreimbursed out-of-pocket expenses that result in a federal credit for  
5 child care expenses.

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