INTRODUCED

LLS NO. 18-0600.02 Esther van Mourik x4215

HOUSE BILL 18-1217

HOUSE SPONSORSHIP
Van Winkle and Garnett,

SENATE SPONSORSHIP
Gardner,

House Committees
Education
Finance

Senate Committees

A BILL FOR AN ACT

CONCERNING A TEMPORARY INCOME TAX CREDIT FOR EMPLOYERS THAT MAKE CONTRIBUTIONS TO 529 QUALIFIED STATE TUITION PROGRAM ACCOUNTS OWNED BY THEIR EMPLOYEES, AND, IN CONNECTION THEREWITH, ENACTING THE "WORKING FAMILIES COLLEGE SAVINGS ACT".

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 creates a temporary income tax credit for employers that make contributions to 529 qualified state tuition program accounts owned
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. The short title of this act is the "Working Families College Savings Act".

SECTION 2. In Colorado Revised Statutes, add 39-22-539 as follows:

39-22-539. Credit for employer contributions to employee 529 qualified state tuition programs - legislative declaration - definitions - repeal. (1) The general assembly hereby finds and declares that the qualified state tuition savings program administered by CollegeInvest helps empower families to save for higher education and enables residents to further educational opportunities and pursue professional goals. The purpose of this section is to provide an incentive for employers to help their employees enhance education savings goals by contributing directly to the employees' qualified state tuition program accounts administered by CollegeInvest.

(2) As used in this section:

(a) "529 QUALIFIED STATE TUITION PROGRAM ACCOUNT" means a qualified state tuition program account established by CollegeInvest created in section 23-3.1-203.

(b) "EMPLOYEE" means any person in the employment of an employer for a salary or for hourly wages, whether full-time or part-time and whether temporary or permanent.

(c) "EMPLOYER" means any person doing business in the state.
(3) For income tax years commencing on or after January 1, 2019, but prior to January 1, 2022, if an employer makes a contribution of money to a 529 qualified state tuition program account owned by an employee during the income tax year, without regard to the named beneficiary of the account, then the employer is allowed a credit against the income taxes imposed by this article 22 in an amount equal to twenty percent of the contribution. The maximum total credit an employer may claim under this section for each employee in a taxable year is five hundred dollars.

(4) If the amount of the credit allowed in this section exceeds the amount of income taxes otherwise due on the employer's income in the income tax year for which the credit is being claimed, the amount of the credit not used as an offset against income taxes in the current income tax year may be carried forward and used as a credit against subsequent years' income tax liability for a period not to exceed three years and must be applied first to the earliest income tax years possible. Any credit remaining after the period may not be refunded or credited to the employer.

(5) This section is repealed, effective December 31, 2024.

SECTION 3. 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 (August 8, 2018, if adjournment sine die is on May 9, 2018); 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 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.