

CHAPTER 227

TAXATION

HOUSE BILL 18-1208

BY REPRESENTATIVE(S) Duran and Winter, Arndt, Becker K., Bridges, Buckner, Coleman, Danielson, Esgar, Exum, Foote, Ginal, Gray, Hamner, Herod, Hooton, Kennedy, Kraft-Tharp, Lee, McLachlan, Melton, Michaelson Jenet, Pettersen, Roberts, Rosenthal, Salazar, Singer, Valdez, Weissman, Young, Jackson, Lontine, Reyher; also SENATOR(S) Martinez Humenik, Aguilar, Crowder, Garcia, Hill, Jones, Kefalas, Kerr, Merrifield, Moreno, Priola, Tate, Todd, Williams A., Zenzinger.

AN ACT

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

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, 2019, 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, 2019, IF A RESIDENT INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME IS LESS THAN OR EQUAL TO SIXTY 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 FIFTY PERCENT OF THE CREDIT FOR CHILD CARE EXPENSES CLAIMED ON THE INDIVIDUAL'S FEDERAL TAX RETURN.

(2) If the credits allowed under ~~subsection (1)~~ **SUBSECTIONS (1) AND (1.7)** of this section exceed the income taxes due on the resident individual's income, the amount

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of the credits not used to offset income taxes shall not be carried forward as tax credits against the resident individual's subsequent years' income tax liability and shall be refunded to the individual.

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

SECTION 2. 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.

Approved: May 22, 2018