A BILL FOR AN ACT

CONCERNING A TEMPORARY INCOME TAX CREDIT FOR EMPLOYERS WHO ALLOW EMPLOYEES TO TELECOMMUTE.

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 in an amount of $1,000 for each employee that is allowed to telecommute at least two-thirds of the time that the employee is expected to work. Any part of the income tax credit that is not used may be carried forward for a 10-year period but may not be refunded.
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add 39-22-543 as follows:

39-22-543. Credit for employers who allow employees to telecommute - legislative declaration - definitions - repeal. (1) (a) The General Assembly hereby finds and declares that there are significant benefits to the state, to employers, and to employees when employers allow their employees to telecommute. Encouraging employers to allow employees to telecommute will:

(I) Benefit Colorado's job market by revitalizing rural counties, municipalities, cities, and towns because employees can live in areas outside the Denver metropolitan area; incentivizing businesses that are not currently in Colorado to locate telecommuting employees into the state; helping to drive the expansion of rural internet or broadband, which will provide added benefits to rural communities; reducing the high cost of already-limited office space for businesses; and assisting rural communities to transition from natural resource based jobs to other types of jobs;

(II) Reduce government spending by lessening the wear and tear on the state's transportation system; reducing the need for costly metropolitan highway expansions; decreasing the likelihood of costly motor vehicle accidents and associated medical, disability, and litigation expenditures; increasing opportunities for persons with disabilities who can't easily
TRAVEL FOR WORK; AND LESSENING THE LIKELIHOOD OF THEFT, COURT TIME, AND INCARCERATION RESULTING FROM THEFT BECAUSE HOMES ARE NOT LEFT VACANT DURING THE DAY;

(III) HELP THE ENVIRONMENT BY REDUCING CARBON EMISSIONS DUE TO REDUCED TRAFFIC, POLLUTION ON THE FRONT RANGE BECAUSE TRAFFIC IS NOT CONCENTRATED IN THE DENVER METROPOLITAN AREA,

MICRO-PARTICLE PLASTIC POLLUTION FROM TIRE WEAR, AND PAPER AND PLASTIC WASTE; AND

(IV) PROVIDE BENEFITS TO EMPLOYEES BY SIGNIFICANTLY IMPROVING JOB SATISFACTION, REDUCING DAYCARE COSTS, INCREASING PRODUCTIVITY, WHICH CAN LEAD TO INCREASED PAY AND INCREASED TAX REVENUES FOR THE STATE, REDUCING VEHICLE MAINTENANCE COSTS, REDUCING TRANSPORTATION COSTS, AND INCREASING FREE TIME.

(b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE PURPOSE OF THIS SECTION IS TO PROVIDE AN INCENTIVE FOR EMPLOYERS TO ALLOW THEIR EMPLOYEES TO TELECOMMUTE.

(2) AS USED IN THIS SECTION:

(a) "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.

(b) "EMPLOYER" MEANS ANY PERSON DOING BUSINESS IN THE STATE.

(c) "TELECOMMUTE" MEANS TO WORK AT HOME BY THE USE OF AN ELECTRONIC LINKUP WITH A CENTRAL OFFICE.

(3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2032, AN EMPLOYER IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN
AMOUNT EQUAL TO ONE THOUSAND DOLLARS FOR EACH EMPLOYEE THAT IS ALLOWED TO TELECOMMUTE FOR AT LEAST TWO-THIRDS OF THE TIME THAT THE EMPLOYEE IS EXPECTED TO WORK.

(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 five 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, 2034.

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 5, 2020, if adjournment sine die is on May 6, 2020); 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.