

First Extraordinary Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20B-0005.01 Nicole Myers x4326

HOUSE BILL 20B-1018

HOUSE SPONSORSHIP

Ransom,

SENATE SPONSORSHIP

(None),

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING INCOME TAX CREDITS FOR A TAXPAYER WHO
102 EXPERIENCED CERTAIN FINANCIAL IMPACTS AS A RESULT OF THE
103 SUSPENSION OF IN-PERSON LEARNING FOR THE TAXPAYER'S
104 CHILD DUE TO THE COVID-19 PANDEMIC.

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 establishes an income tax credit for the 2020 and 2021 income tax years for any taxpayer who:

- Has one or more qualified children whose school

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.

suspended in-person learning for at least 4 consecutive weeks during the 2020-21 school year due to the COVID-19 pandemic (suspension of in-person learning); and

- Incurred costs as a result of the suspension of in-person learning.

The amount of the credit allowed is either the amount of the costs incurred by the taxpayer as a result of the suspension of in-person learning or \$2,000 for any income tax year, whichever is less; except that the maximum amount of the credit that a taxpayer may claim in the 2020 and 2021 income tax years combined shall not exceed \$2,000 per qualified child. A taxpayer is required to claim the credit for the income tax year in which the costs were incurred due to the suspension of in-person learning.

The bill also creates an income tax credit for the 2020 and 2021 income tax years for any taxpayer who:

- Has one or more qualified children who experienced the suspension of in-person learning or whose daycare center was unable to provide in-person care for the qualified child for at least 4 consecutive weeks during the 2020-21 school year due to the COVID-19 pandemic;
- Had to provide care for the qualified child due to the suspension of in-person learning or the inability of the daycare center to provide care; and
- As a result of providing such care for the taxpayer's qualified child, was unable to work and experienced a loss of income.

The amount of the credit allowed is either the amount of income the taxpayer lost as a result of not being able to work due to the suspension of in-person learning or the inability of the qualified child's daycare center to provide care or \$2,000 for any income tax year, whichever is less. A taxpayer must claim the credit for the income tax year in which the taxpayer lost income.

A taxpayer who claims either income tax credit is required to retain certain information to provide to the department of revenue upon request by the department. A taxpayer who claims one credit created in the bill is ineligible to claim the other credit created in the bill. Both credits may be carried forward for 3 years but may not be refunded.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 finds and declares that the intent of the income tax credits created in this

1 act is to provide relief for taxpayers who have incurred demonstrable
2 costs or lost income due to a government- or governmental
3 entity-mandated suspension of in-person learning at their child's school
4 or the inability of their child's daycare center to provide in-person care
5 due to the COVID-19 pandemic.

6 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-542 and
7 39-22-543 as follows:

8 **39-22-542. Credit for expenses incurred due to suspension of**
9 **in-person learning - COVID-19 pandemic - definitions - repeal.**

10 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
11 REQUIRES:

12 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

13 (b) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
14 ENROLLED IN A SCHOOL AND WHO LIVES WITH THE TAXPAYER CLAIMING
15 A CREDIT PURSUANT TO THIS SECTION FOR ANY PORTION OF THE 2020-21
16 SCHOOL YEAR.

17 (c) "SCHOOL" MEANS AN ELEMENTARY OR SECONDARY PUBLIC
18 SCHOOL OR NONPUBLIC SCHOOL, AS SUCH TERMS ARE DEFINED IN SECTION
19 22-2-102. "SCHOOL" DOES NOT INCLUDE AN ONLINE EDUCATION PROGRAM
20 PURSUANT TO ARTICLE 30.7 OF TITLE 22 OR A NONPUBLIC HOME-BASED
21 EDUCATION PROGRAM PURSUANT TO SECTION 22-33-104.5.

22 (d) "TAXPAYER" MEANS A RESIDENT INDIVIDUAL. A TAXPAYER
23 SHALL NOT INCLUDE A DOMESTIC OR FOREIGN CORPORATION SUBJECT TO
24 PART 3 OF THIS ARTICLE 22, A PARTNERSHIP, LIMITED LIABILITY COMPANY,
25 S CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, ESTATE, OR
26 TRUST, OR A PARTNER, MEMBER, OR SUBCHAPTER S SHAREHOLDER OF
27 SUCH PASS-THROUGH ENTITY.

1 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
2 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2022, THERE IS ALLOWED AS
3 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 AN
4 AMOUNT SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION FOR ANY
5 TAXPAYER WHO:

6 (I) HAS ONE OR MORE QUALIFIED CHILDREN WHOSE SCHOOL
7 SUSPENDED IN-PERSON LEARNING FOR AT LEAST FOUR CONSECUTIVE
8 WEEKS DURING THE 2020-21 SCHOOL YEAR DUE TO THE COVID-19
9 PANDEMIC; AND

10 (II) INCURRED COSTS THAT CAN BE REASONABLY TRACED TO
11 EDUCATIONAL PURPOSES AS A DIRECT RESULT OF THE QUALIFIED CHILD'S
12 SCHOOL SUSPENDING IN-PERSON LEARNING AS SPECIFIED IN SUBSECTION
13 (2)(a)(I) OF THIS SECTION.

14 (b) THE AMOUNT OF THE CREDIT AUTHORIZED IN THIS SECTION
15 EQUALS EITHER THE AMOUNT OF THE COSTS INCURRED AS A RESULT OF THE
16 CIRCUMSTANCES SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION, OR
17 TWO THOUSAND DOLLARS FOR ANY INCOME TAX YEAR, WHICHEVER IS
18 LESS; EXCEPT THAT THE TOTAL AMOUNT OF THE CREDIT CLAIMED IN THE
19 2020 AND 2021 INCOME TAX YEARS COMBINED SHALL NOT EXCEED TWO
20 THOUSAND DOLLARS PER QUALIFIED CHILD. A TAXPAYER MUST CLAIM THE
21 CREDIT FOR THE INCOME TAX YEAR IN WHICH THE COSTS WERE INCURRED
22 FOR THE QUALIFIED CHILD.

23 (3) (a) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
24 SECTION SHALL RETAIN THE FOLLOWING INFORMATION AND PROVIDE SUCH
25 INFORMATION TO THE DEPARTMENT UPON REQUEST:

26 (I) A LIST OF THE COSTS INCURRED BY THE TAXPAYER, INCLUDING
27 RECEIPTS FOR SUCH COSTS, AS A RESULT OF THE SUSPENSION OF IN-PERSON

1 LEARNING FOR A QUALIFIED CHILD DURING THE 2020-21 SCHOOL YEAR
2 DUE TO THE COVID-19 PANDEMIC; AND

3 (II) A STATEMENT FROM THE QUALIFIED CHILD'S SCHOOL STATING
4 HOW MANY CUMULATIVE WEEKS THE QUALIFIED CHILD'S SCHOOL WAS
5 CLOSED FOR IN-PERSON LEARNING DURING THE PORTION OF THE 2020-21
6 SCHOOL YEAR THAT FALLS IN THE INCOME TAX YEAR FOR WHICH THE
7 CREDIT IS BEING CLAIMED PURSUANT TO THIS SECTION.

8 (b) A SCHOOL SHALL PROVIDE, UPON REQUEST OF THE TAXPAYER,
9 A STATEMENT REGARDING THE NUMBER OF CUMULATIVE WEEKS THAT THE
10 SCHOOL SUSPENDED IN-PERSON LEARNING DUE TO THE COVID-19
11 PANDEMIC DURING THE PORTION OF THE 2020-21 SCHOOL YEAR THAT
12 FALLS IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED
13 PURSUANT TO THIS SECTION. A SCHOOL SHALL PROVIDE THE STATEMENT
14 WITHIN SIXTY DAYS OF A TAXPAYER'S REQUEST.

15 (4) IF THE CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME
16 TAXES OTHERWISE DUE ON THE TAXPAYER'S INCOME, THE AMOUNT OF THE
17 CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES MAY BE CARRIED
18 FORWARD AS A TAX CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX
19 LIABILITY FOR A PERIOD NOT EXCEEDING THREE YEARS AND SHALL BE
20 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY CREDIT REMAINING
21 AFTER SAID PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE
22 TAXPAYER.

23 (5) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
24 SECTION IN ANY INCOME TAX YEAR SHALL NOT BE ALLOWED TO CLAIM A
25 CREDIT PURSUANT TO SECTION 39-22-543 IN ANY INCOME TAX YEAR.

26 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2025.
27 **39-22-543. Credit for taxpayers unable to work due to**

1 **suspension of in-person learning - COVID-19 pandemic - definitions**

2 **- repeal .** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES:

4 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

5 (b) "QUALIFIED CHILD" MEANS A DEPENDENT CHILD WHO IS
6 ENROLLED IN A SCHOOL OR WHO ATTENDS A DAYCARE CENTER AND WHO
7 LIVES WITH THE TAXPAYER CLAIMING A CREDIT PURSUANT TO THIS
8 SECTION FOR ANY PORTION OF THE 2020-21 SCHOOL YEAR.

9 (c) "SCHOOL" MEANS AN ELEMENTARY OR SECONDARY PUBLIC
10 SCHOOL OR NONPUBLIC SCHOOL, AS SUCH TERMS ARE DEFINED IN SECTION
11 22-2-102. "SCHOOL" DOES NOT INCLUDE AN ONLINE EDUCATION PROGRAM
12 PURSUANT TO ARTICLE 30.7 OF TITLE 22 OR A NONPUBLIC HOME-BASED
13 EDUCATION PROGRAM PURSUANT TO SECTION 22-33-104.5.

14 (d) "TAXPAYER" MEANS A RESIDENT INDIVIDUAL. A TAXPAYER
15 SHALL NOT INCLUDE A DOMESTIC OR FOREIGN CORPORATION SUBJECT TO
16 PART 3 OF THIS ARTICLE 22, A PARTNERSHIP, LIMITED LIABILITY COMPANY,
17 S CORPORATION, OR OTHER SIMILAR PASS-THROUGH ENTITY, ESTATE, OR
18 TRUST, OR A PARTNER, MEMBER, OR SUBCHAPTER S SHAREHOLDER OF
19 SUCH PASS-THROUGH ENTITY.

20 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
21 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2022, THERE IS ALLOWED AS
22 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 AN
23 AMOUNT SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION FOR ANY
24 TAXPAYER WHO:

25 (I) HAS ONE OR MORE QUALIFIED CHILDREN WHOSE SCHOOL OR
26 DAYCARE CENTER SUSPENDED IN-PERSON LEARNING OR WAS OTHERWISE
27 UNABLE TO PROVIDE IN-PERSON LEARNING OR CHILD CARE FOR AT LEAST

1 FOUR CONSECUTIVE WEEKS DURING THE 2020-21 SCHOOL YEAR DUE TO
2 THE COVID-19 PANDEMIC;

3 (II) HAD TO PROVIDE CARE FOR THE QUALIFIED CHILD DUE TO THE
4 SUSPENSION OF IN-PERSON LEARNING AT THE QUALIFIED CHILD'S SCHOOL
5 OR DUE TO THE INABILITY OF THE QUALIFIED CHILD'S DAYCARE CENTER TO
6 PROVIDE CARE; AND

7 (III) AS A RESULT OF PROVIDING SUCH CARE FOR THE TAXPAYER'S
8 QUALIFIED CHILD, WAS UNABLE TO WORK AND EXPERIENCED A LOSS OF
9 INCOME.

10 (b) THE AMOUNT OF THE CREDIT AUTHORIZED IN THIS SECTION
11 EQUALS EITHER THE AMOUNT OF INCOME THE TAXPAYER LOST AS A
12 RESULT OF NOT BEING ABLE TO WORK DUE TO THE CIRCUMSTANCES
13 SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION, OR TWO THOUSAND
14 DOLLARS FOR ANY INCOME TAX YEAR, WHICHEVER IS LESS. A TAXPAYER
15 MUST CLAIM THE CREDIT FOR THE INCOME TAX YEAR IN WHICH THE
16 TAXPAYER LOST INCOME AS A RESULT OF THE CIRCUMSTANCE SPECIFIED
17 IN SUBSECTION (2)(a) OF THIS SECTION.

18 (3) (a) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
19 SECTION SHALL RETAIN THE FOLLOWING INFORMATION AND PROVIDE SUCH
20 INFORMATION TO THE DEPARTMENT UPON REQUEST:

21 (I) A RECORD OF INCOME EARNED BY THE TAXPAYER IN THE
22 MONTH IMMEDIATELY PRECEDING THE FIRST DAY ON WHICH THE
23 TAXPAYER WAS UNABLE TO WORK DUE TO THE CIRCUMSTANCES SPECIFIED
24 IN SUBSECTION (2)(a) OF THIS SECTION; AND

25 (II) A STATEMENT FROM THE QUALIFIED CHILD'S SCHOOL OR
26 DAYCARE CENTER STATING HOW MANY CUMULATIVE WEEKS THE SCHOOL
27 OR DAYCARE CENTER WAS CLOSED FOR IN-PERSON LEARNING OR WAS

1 OTHERWISE UNABLE TO PROVIDE IN-PERSON LEARNING OR CHILD CARE
2 DURING THE PORTION OF THE 2020-21 SCHOOL YEAR THAT FALLS IN THE
3 INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED PURSUANT
4 TO THIS SECTION.

5 (b) A SCHOOL OR DAYCARE CENTER SHALL PROVIDE, UPON
6 REQUEST OF THE TAXPAYER, A STATEMENT REGARDING THE NUMBER OF
7 CUMULATIVE WEEKS THAT THE SCHOOL OR DAYCARE CENTER SUSPENDED
8 IN-PERSON LEARNING DUE TO THE COVID-19 PANDEMIC DURING THE
9 PORTION OF THE 2020-21 SCHOOL YEAR THAT FALLS IN THE INCOME TAX
10 YEAR FOR WHICH THE CREDIT IS BEING CLAIMED PURSUANT TO THIS
11 SECTION. A SCHOOL OR DAYCARE CENTER SHALL PROVIDE THE STATEMENT
12 WITHIN SIXTY DAYS OF A TAXPAYER'S REQUEST.

13 (4) IF THE CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME
14 TAXES OTHERWISE DUE ON THE TAXPAYER'S INCOME, THE AMOUNT OF THE
15 CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES MAY BE CARRIED
16 FORWARD AS A TAX CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX
17 LIABILITY FOR A PERIOD NOT EXCEEDING THREE YEARS AND SHALL BE
18 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY CREDIT REMAINING
19 AFTER SAID PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE
20 TAXPAYER.

21 (5) A TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS
22 SECTION IN ANY INCOME TAX YEAR SHALL NOT BE ALLOWED TO CLAIM A
23 CREDIT PURSUANT TO SECTION 39-22-542 IN ANY INCOME TAX YEAR.

24 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2025.

25 **SECTION 3. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, or safety.