

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 23-0571.01 Jed Franklin x5484

HOUSE BILL 23-1128

HOUSE SPONSORSHIP

Weinberg, Bottoms, Hartsook, Taggart, Velasco, Wilson, Winter T.

SENATE SPONSORSHIP

(None), Rich, Will

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CERTAIN INCOME TAX CREDITS AND DEDUCTIONS FOR**
102 **MARRIED TAXPAYERS.**

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>.)

Section 1 makes legislative findings and declarations concerning the treatment of taxpayers filing individually versus those filing jointly and clarifies that the intent of the bill is to eliminate barriers to certain tax credits and deductions for married individuals.

Section 2 increases the maximum amount of the wildfire mitigation measures tax deduction from \$2,500 to \$5,000 for married

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

taxpayers who file a joint income tax return.

Section 3 increases the qualifying maximum gross adjusted income threshold for the child care expense tax credit from \$60,000 to \$120,000 for married taxpayers who file a joint income tax return.

Section 4 raises the qualifying maximum income threshold for the low-income child care expense tax credit from \$25,000 to \$50,000 for married taxpayers who file a joint income tax return.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Some married individuals who file income taxes jointly are not
5 entitled to equivalent amounts of certain tax credits or deductions that
6 other filers receive when filing individually;

7 (b) It is unfair that married individuals filing jointly are penalized
8 due solely to their marital status;

9 (c) This penalty undermines the public policy of the state to
10 encourage marriage and procreation; and

11 (d) Thus, certain tax credits and deductions that are not available
12 to married individuals filing jointly should be adjusted to allow married
13 individuals filing jointly equal treatment under the tax code.

14 **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **amend**
15 (4)(n.5)(I)(B) as follows:

16 **39-22-104. Income tax imposed on individuals, estates, and**
17 **trusts - single rate - report - legislative declaration - definitions -**
18 **repeal.** (4) There shall be subtracted from federal taxable income:

19 (n.5) (I) (B) In the case of two taxpayers filing a joint return, the
20 amount subtracted from federal taxable income shall not exceed ~~two~~
21 ~~thousand five hundred~~ FIVE THOUSAND dollars in any taxable year. ~~In the~~
22 ~~case of two taxpayers who may legally file a joint return but actually file~~

1 ~~separate returns, only one of the taxpayers may claim the deduction~~
2 ~~specified in this paragraph (n.5).~~

3 **SECTION 3.** In Colorado Revised Statutes, 39-22-119, **add** (1.8)
4 as follows:

5 **39-22-119. Expenses related to child care - credits against state**
6 **tax.** (1.8) IN THE CASE OF TWO RESIDENT INDIVIDUALS FILING A JOINT
7 RETURN, THE TAX CREDIT SPECIFIED IN SUBSECTION (1.7) OF THIS SECTION
8 IS AVAILABLE IF THE ADJUSTED GROSS INCOME ON THE TAX RETURN IS ONE
9 HUNDRED TWENTY THOUSAND DOLLARS OR LESS IN THE TAXABLE YEAR.

10 **SECTION 4.** In Colorado Revised Statutes, 39-22-119.5, **amend**
11 (3)(a)(I) as follows:

12 **39-22-119.5. Child care expenses tax credit - legislative**
13 **declaration - definitions.** (3) (a) For income tax years beginning on and
14 after January 1, 2014, but prior to January 1, 2017, and for income tax
15 years beginning on and after January 1, 2018, but prior to January 1,
16 2029, a resident individual is allowed a credit against the taxes due under
17 this article 22 for child care expenses that the individual incurred during
18 the taxable year if:

19 (I) The individual has an adjusted gross income of twenty-five
20 thousand dollars or less; EXCEPT THAT, IN THE CASE OF TWO RESIDENT
21 INDIVIDUALS FILING A JOINT RETURN, THE TAX CREDIT SPECIFIED IN THIS
22 SUBSECTION (3)(a) IS AVAILABLE IF THE ADJUSTED GROSS INCOME ON THE
23 TAX RETURN IS FIFTY THOUSAND DOLLARS OR LESS IN THE TAXABLE YEAR.

24 **SECTION 5. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly; except
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this
2 act within such period, then the act, item, section, or part will not take
3 effect unless approved by the people at the general election to be held in
4 November 2024 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.