

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-0396.02 Jessica Herrera x4218

SENATE BILL 24-044

SENATE SPONSORSHIP

Kolker and Hansen,

HOUSE SPONSORSHIP

Hamrick and Kipp,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A REFUNDABLE INCOME TAX CREDIT**
102 **FOR QUALIFYING PUBLIC EMPLOYEES' RETIREMENT**
103 **ASSOCIATION RETIREES, AND, IN CONNECTION THEREWITH,**
104 **MAKING AN APPROPRIATION.**

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/>.)

Pension Review Commission. The bill creates a refundable income tax credit that is available for income tax years commencing on or after January 1, 2024, but prior to January 1, 2026, for a qualifying

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.

SENATE
Amended 2nd Reading
March 12, 2024

public employees' retirement association retiree, which means a full-time Colorado resident individual who:

- Is 65 years of age or older at the end of the 2024 or 2025 income tax year; and
- Has an annual gross income of no more than \$38,000 as a single filer or \$76,000 as a joint filer.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-560 as
3 follows:

4 **39-22-560. Credit against tax - qualifying PERA retirees -**
5 **creation - tax preference performance statement - legislative**
6 **declaration - definitions - repeal.** (1) (a) THE GENERAL ASSEMBLY
7 HEREBY FINDS AND DECLARES THAT:

8 (I) INFLATION RATES HAVE INCREASED OVER THE LAST FEW YEARS
9 AND ARE PREDICTED TO CONTINUE RISING; AND

10 (II) MANY PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
11 RETIREES ARE ON A FIXED INCOME, AND THE COST OF LIVING ADJUSTMENTS
12 FOR RETIREES ARE NOT KEEPING UP WITH RISING INFLATION RATES.

13 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
14 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
15 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
16 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
17 DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE CREATED IN
18 SUBSECTION (3) OF THIS SECTION IS TO PROVIDE TAX RELIEF FOR CERTAIN
19 PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION RETIREES.

20 (c) THE GENERAL ASSEMBLY AND STATE AUDITOR SHALL MEASURE
21 THE EFFECTIVENESS OF THE INCOME TAX CREDIT IN ACHIEVING THE
22 PURPOSE SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION BASED ON THE

1 NUMBER OF TAXPAYERS WHO HAVE CLAIMED THE CREDIT.

2 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES:

4 (a) "ASSOCIATION" MEANS THE PUBLIC EMPLOYEES' RETIREMENT
5 ASSOCIATION CREATED IN SECTION 24-51-201.

6 (b) "CREDIT" MEANS THE CREDIT AGAINST INCOME TAX THAT IS
7 CREATED IN THIS SECTION.

8 (c) "QUALIFYING PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
9 RETIREE" MEANS A RESIDENT INDIVIDUAL WHO:

10 (I) IS A RETIREE, AS DEFINED IN SECTION 24-51-101 (39);

11 (II) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE CLOSE OF THE
12 INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED; AND

13 (III) HAS A FEDERAL ADJUSTED GROSS INCOME OF NO MORE THAN
14 THIRTY-EIGHT THOUSAND DOLLARS IF FILING AS A SINGLE FILER OR
15 SEVENTY-SIX THOUSAND DOLLARS IF FILING AS A JOINT FILER.

16 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
17 1, 2024, BUT BEFORE JANUARY 1, 2026, A QUALIFYING PUBLIC EMPLOYEES'
18 RETIREMENT ASSOCIATION RETIREE IS ALLOWED A CREDIT IN THE AMOUNT
19 OF SEVEN HUNDRED DOLLARS AGAINST THE TAX IMPOSED BY THIS ARTICLE
20 22.

21 (4) THE ASSOCIATION SHALL PROVIDE TO THE STATE AUDITOR
22 DATA ON RETIREES AS NECESSARY TO IMPLEMENT THIS SECTION. THE
23 DEPARTMENT OF REVENUE SHALL PROVIDE TO THE STATE AUDITOR DATA
24 ON THE NUMBER OF INDIVIDUALS WHO CLAIM THE TAX CREDIT ALLOWED
25 BY THIS SECTION.

26 (5) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
27 THAT EXCEEDS THE QUALIFYING PUBLIC EMPLOYEES' RETIREMENT

1 ASSOCIATION RETIREE'S INCOME TAXES DUE IS REFUNDED TO THE
2 QUALIFYING PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION RETIREE.

3 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2035.

4 **SECTION 2. Appropriation.** (1) For the 2024-25 state fiscal
5 year, \$172,163 is appropriated to the department of revenue. This
6 appropriation is from the general fund. To implement this act, the
7 department may use this appropriation as follows:

8 (a) \$98,246 for personal services related to taxation services,
9 which amount is based on an assumption that the department will require
10 an additional 1.4 FTE;

11 (b) \$34,763 for tax administration IT system (GenTax) support;

12 (c) \$29,400 for personal services related to administration and
13 support;

14 (d) \$8,462 for operating expenses related to taxation services; and

15 (e) \$1,292 for the purchase of document management services.

16 (2) For the 2024-25 state fiscal year, \$1,292 is appropriated to the
17 department of personnel. This appropriation is from reappropriated funds
18 received from the department of revenue under subsection (1)(e) of this
19 section. To implement this act, the department of personnel may use this
20 appropriation to provide document management services for the
21 department of revenue.

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2024 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.