

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0593.02 Jessica Herrera x4218

HOUSE BILL 24-1271

HOUSE SPONSORSHIP

McCormick,

SENATE SPONSORSHIP

(None),

House Committees

Agriculture, Water & Natural Resources
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX CREDIT FOR QUALIFIED**
102 **INDIVIDUALS IN THE VETERINARY FIELD.**

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>.)

For income tax years commencing on or after January 1, 2026, but before January 1, 2033, the bill creates a new refundable state income tax credit for a qualified licensed veterinarian and a registered veterinary technician (veterinary professional) working full-time in an underserved area or under-resourced area (underserved area) and for a buyer of a veterinary practice in an underserved area. The department of agriculture

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.

(department) is required to certify tax credits for eligible veterinary professionals and buyers of a veterinary practice in an underserved area in an amount not to exceed, in aggregate, \$2 million in any tax year.

No later than July 1, 2025, the department is required to promulgate rules for issuing a tax credit certificate to an eligible veterinary professional working full-time in an underserved area and for a buyer of a veterinary practice in an underserved area using the recommendations of an advisory board (board) that consists of 3 licensed veterinarians, 3 registered veterinary technicians, 3 agricultural animal producers, and 3 representatives from animal welfare nonprofits chosen by the commissioner of agriculture.

The department must promulgate rules that include criteria for the determination of which geographic areas of the state fall within the definition of an underserved or under-resourced area. The department must also promulgate rules that determine a mechanism to determine the tax credit amount the department is able to certify to an eligible veterinary professional working full-time in an underserved area that is no less than \$5,000 and no more than \$30,000 and to a buyer of a veterinary practice in an underserved or under-resourced area that is no less than \$10,000 and no more than \$200,000.

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. Qualified veterinary professional and buyer of**
5 **veterinary practice tax credit - tax preference performance statement**
6 **- legislative declaration - definitions - repeal.** (1) (a) IN ACCORDANCE
7 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES
8 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
9 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
10 GENERAL ASSEMBLY DECLARES THAT:

11 (I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
12 ALLOWED BY THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED
13 BEHAVIOR BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN
14 BUSINESSES OR INDIVIDUALS; AND

1 (II) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
2 ALLOWED BY THIS SECTION IS TO ADDRESS THE SHORTAGE OF LICENSED
3 VETERINARIANS AND REGISTERED VETERINARY TECHNICIANS IN
4 UNDERSERVED AND UNDER-RESOURCED AREAS OF THE STATE OR
5 UNDERSERVED AND UNDER-RESOURCED CATEGORIES OF VETERINARY
6 MEDICINE PRACTICE BY PROVIDING INCENTIVES TO THOSE VETERINARIANS
7 AND VETERINARY TECHNICIANS TO WORK IN UNDERSERVED OR
8 UNDER-RESOURCED AREAS OR TO BUY OR START A VETERINARY PRACTICE
9 IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY.

10 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
11 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
12 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE NUMBER
13 OF CREDITS THAT ARE CLAIMED.

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

16 (a) "CREDIT CERTIFICATE" MEANS A CERTIFICATE ISSUED BY THE
17 DEPARTMENT OF AGRICULTURE CERTIFYING THAT A QUALIFIED TAXPAYER
18 QUALIFIES FOR AN INCOME TAX CREDIT AUTHORIZED IN THIS SECTION AND
19 SPECIFYING THE AMOUNT OF THE CREDIT ALLOWED AND THE INCOME TAX
20 YEAR FOR WHICH THE CREDIT MAY BE CLAIMED.

21 (b) "OWNER" MEANS A PERSON WHO IS A LICENSED VETERINARIAN
22 PURSUANT TO PART 1 OF ARTICLE 315 OF TITLE 12 OR AN ENTITY IN WHICH
23 A MAJORITY OF OWNERSHIP INTEREST IS HELD BY LICENSED
24 VETERINARIANS.

25 (c) "QUALIFIED TAXPAYER" MEANS A VETERINARY PROFESSIONAL
26 WORKING AT LEAST HALF-TIME IN AN UNDERSERVED OR
27 UNDER-RESOURCED AREA OR CATEGORY IN THE STATE OR A BUYER OR

1 OWNER OF A VETERINARY PRACTICE IN AN UNDERSERVED OR
2 UNDER-RESOURCED AREA OR CATEGORY IN THE STATE.

3 (d) "VETERINARY PRACTICE" MEANS A VETERINARY BUSINESS,
4 OFFICE, HOSPITAL, CLINIC, OR TEMPORARY LOCATION WHERE VETERINARY
5 MEDICINE IS BEING PRACTICED BY OR UNDER THE DIRECTION AND
6 SUPERVISION OF A LICENSED VETERINARIAN. A PRACTICE MAY ALSO
7 INCLUDE A MOBILE VETERINARY PRACTICE THAT DOES NOT HAVE A
8 PERMANENT PHYSICAL ESTABLISHMENT OR LOCATION.

9 (e) "VETERINARY PROFESSIONAL" MEANS A VETERINARIAN
10 LICENSED PURSUANT TO PART 1 OF ARTICLE 315 OF TITLE 12 AND A
11 VETERINARY TECHNICIAN REGISTERED PURSUANT TO PART 2 OF ARTICLE
12 315 OF TITLE 12.

13 (3) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN THIS
14 SUBSECTION (3), FOR INCOME TAX YEARS COMMENCING ON OR AFTER
15 JANUARY 1, 2026, BUT BEFORE JANUARY 1, 2033:

16 (I) A VETERINARY PROFESSIONAL WORKING AT LEAST HALF-TIME
17 IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY IN THE
18 STATE IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY
19 THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE DEPARTMENT OF
20 AGRICULTURE PURSUANT TO SUBSECTION (3)(b)(IV)(B) OF THIS SECTION
21 THAT DOES NOT EXCEED FIFTEEN THOUSAND DOLLARS.

22 (II) A BUYER WHO IS A LICENSED VETERINARIAN OF A VETERINARY
23 PRACTICE IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR
24 CATEGORY IN THE STATE IS ALLOWED A CREDIT AGAINST THE INCOME
25 TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE
26 DEPARTMENT OF AGRICULTURE PURSUANT TO SUBSECTION (3)(b)(IV)(C)
27 OF THIS SECTION THAT DOES NOT EXCEED FIFTY THOUSAND DOLLARS.

1 (III) AN OWNER OF A NEW VETERINARY PRACTICE IN AN
2 UNDERSERVED OR UNDER-RESOURCED AREA OR PRACTICE CATEGORY IN
3 THE STATE IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY
4 THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE DEPARTMENT
5 PURSUANT TO SUBSECTION (3)(b)(IV)(C) OF THIS SECTION THAT DOES NOT
6 EXCEED FIFTY THOUSAND DOLLARS IF THE OWNER PRACTICES FOR AT
7 LEAST THREE YEARS IN THE SAME PRACTICE.

8 (IV) TO CLAIM THE TAX CREDIT, A QUALIFIED TAXPAYER SHALL
9 FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE DEPARTMENT OF
10 AGRICULTURE PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION WITH
11 THE QUALIFIED TAXPAYER'S STATE INCOME TAX RETURN.

12 (b) (I) A TAXPAYER SHALL SUBMIT AN APPLICATION TO THE
13 DEPARTMENT OF AGRICULTURE FOR A TAX CREDIT CERTIFICATE TO CLAIM
14 THE TAX CREDIT ALLOWED BY THIS SECTION ON A FORM AND IN A MANNER
15 PRESCRIBED BY THE DEPARTMENT OF AGRICULTURE. THE DEPARTMENT OF
16 AGRICULTURE SHALL ISSUE TAX CREDIT CERTIFICATES AND SHALL REVIEW
17 AND APPROVE OR DENY AN APPLICATION WITHIN A REASONABLE TIME NOT
18 TO EXCEED NINETY DAYS AFTER THE FILING OF A COMPLETED
19 APPLICATION. IF THE DEPARTMENT OF AGRICULTURE DETERMINES THAT AN
20 APPLICANT IS NOT ENTITLED TO A TAX CREDIT CERTIFICATE UNDER THIS
21 SECTION, THE DEPARTMENT OF AGRICULTURE SHALL NOTIFY THE
22 APPLICANT OF ITS DISAPPROVAL IN WRITING.

23 (II) THE DEPARTMENT OF AGRICULTURE SHALL, IN A SUFFICIENTLY
24 TIMELY MANNER TO ALLOW THE DEPARTMENT OF REVENUE TO PROCESS
25 RETURNS ON WHICH A QUALIFIED TAXPAYER CLAIMS THE INCOME TAX
26 CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT OF
27 REVENUE WITH AN ELECTRONIC REPORT FOR THE PRECEDING TAX YEAR

1 THAT LISTS EACH QUALIFIED TAXPAYER TO WHICH THE DEPARTMENT OF
2 AGRICULTURE ISSUED A TAX CREDIT CERTIFICATE AND INCLUDES THE
3 FOLLOWING INFORMATION:

4 (A) THE QUALIFIED TAXPAYER'S NAME;

5 (B) THE AMOUNT OF THE INCOME TAX CREDIT THAT THE
6 CERTIFICATE INDICATES THE QUALIFIED TAXPAYER IS ELIGIBLE TO CLAIM;
7 AND

8 (C) THE QUALIFIED TAXPAYER'S SOCIAL SECURITY NUMBER OR THE
9 QUALIFIED TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL
10 EMPLOYER IDENTIFICATION NUMBER.

11 (III) NO LATER THAN JULY 1, 2025, THE DEPARTMENT OF
12 AGRICULTURE SHALL PROMULGATE RULES FOR ISSUING A TAX CREDIT
13 CERTIFICATE TO AN ELIGIBLE VETERINARY PROFESSIONAL WORKING AT
14 LEAST HALF-TIME IN AN UNDERSERVED AREA OR CATEGORY IN THE STATE
15 AND FOR A BUYER OF A VETERINARY PRACTICE IN AN UNDERSERVED AREA
16 OR CATEGORY IN THE STATE USING THE RECOMMENDATIONS OF AN
17 ADVISORY COMMITTEE APPOINTED BY THE STATE VETERINARIAN THAT
18 CONSISTS OF THREE LICENSED VETERINARIANS, THREE REGISTERED
19 VETERINARY TECHNICIANS, TWO COLORADO ANIMAL PRODUCERS, OR
20 THEIR REPRESENTATIVES, AND TWO COLORADO NONPROFIT
21 ORGANIZATIONS THAT UTILIZE VETERINARY SERVICES OR THEIR
22 REPRESENTATIVES. WHEN APPOINTING THE MEMBERS OF THE ADVISORY
23 COMMITTEE, THE STATE VETERINARIAN MUST, TO THE EXTENT POSSIBLE,
24 CHOOSE MEMBERS THAT REPRESENT DIVERSE CATEGORIES OF VETERINARY
25 MEDICINE PRACTICE.

26

27 (IV) THE RULES PROMULGATED BY THE DEPARTMENT OF

1 AGRICULTURE MUST INCLUDE:

2 (A) CRITERIA FOR THE DETERMINATION OF WHICH GEOGRAPHIC
3 AREAS OR WHICH PRACTICE CATEGORIES FALL WITHIN THE DEFINITION OF
4 UNDERSERVED OR UNDER-RESOURCED;

5 (B) A MECHANISM TO DETERMINE THE TAX CREDIT AMOUNT THE
6 DEPARTMENT OF AGRICULTURE IS ABLE TO CERTIFY TO AN ELIGIBLE
7 VETERINARY PROFESSIONAL WORKING AT LEAST HALF-TIME IN AN
8 UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY IN THE STATE
9 THAT DOES NOT EXCEED FIFTEEN THOUSAND DOLLARS;

10 (C) A MECHANISM FOR DETERMINING THE TAX CREDIT AMOUNT
11 ALLOWED TO A BUYER OR OWNER OF A VETERINARY PRACTICE OR BUYER
12 OF A NEW VETERINARY PRACTICE;

13 (D) CRITERIA FOR APPLICATION REQUIREMENTS INCLUDING ANY
14 DOCUMENTATION NEEDED FOR VERIFYING ELIGIBILITY; AND

15 (E) CRITERIA FOR A WAIT LIST IF APPLICATIONS FOR TAX CREDIT
16 CERTIFICATES SUBMITTED TO THE DEPARTMENT OF AGRICULTURE BY
17 QUALIFIED TAXPAYERS ISSUED IN ANY GIVEN TAX YEAR EXCEED THE LIMIT
18 PURSUANT TO SUBSECTION (3)(b)(II) OF THIS SECTION.

19 (V) THE DEPARTMENT OF AGRICULTURE MAY PROMULGATE ANY
20 OTHER RULES NECESSARY FOR THE ADMINISTRATION OF THIS SECTION.

21

22 (VI) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
23 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED TAXPAYER, THE
24 EXCESS TAX CREDIT MAY NOT BE CARRIED FORWARD AND IS REFUNDED TO
25 THE TAXPAYER.

26 (c) THE DEPARTMENT OF AGRICULTURE SHALL NOT CERTIFY MORE
27 THAN AN AGGREGATE OF TWO MILLION DOLLARS IN TAX CREDIT

1 CERTIFICATES FOR THE CREDITS ALLOWED PURSUANT TO SUBSECTIONS
2 (3)(a)(I), (3)(a)(II), AND (3)(a)(III) OF THIS SECTION IN ANY GIVEN TAX
3 YEAR.

4 (d) THE DEPARTMENT OF AGRICULTURE MAY CERTIFY A TAX
5 CREDIT CERTIFICATE TO A QUALIFIED TAXPAYER THAT QUALIFIES
6 PURSUANT TO SUBSECTION (3)(a)(II) OR (3)(a)(III) OF THIS SECTION ONLY
7 ONCE.

8 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2037.

9 **SECTION 2. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2024 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.