

**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. 24-0952.01 Jed Franklin x5484

HOUSE BILL 24-1288

HOUSE SPONSORSHIP

Rutinel,

SENATE SPONSORSHIP

(None),

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEANS OF INCREASING THE NUMBER OF CLAIMS FOR**
102 **CERTAIN INCOME TAX CREDITS THAT SUPPORT CHILDREN.**

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 requires the department of revenue (department) to share the contact information of a resident individual who claimed the earned income tax credit or the child tax credit, or both, on or before July 1 of each year with the department of early childhood, the department of health care policy and financing, the department of human services, the department of local affairs, and the department of public health and

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.

environment, if requested. The information disclosed remains confidential, and the recipient departments may only use it for the purpose of benefit outreach

The bill also requires the department to create a pilot program to assist resident individuals who have not filed a federal income tax return for the 2022 income tax year in claiming the earned income tax credit (credit) for the 2022 income tax year. The department must select and collaborate with a third-party entity to identify resident individuals who may have been eligible for the credit in 2022 but did not file a federal income tax return in 2022. The third-party entity will create a prefilled form for each resident individual who may be eligible for the pilot program. The pilot program must begin no later than 8 months after the internal revenue service has approved it.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-21-113, **add** (34)
3 as follows:

4 **39-21-113. Reports and returns - rule - repeal.**

5 (34) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ON
6 OR BEFORE JULY 1, 2025, AND ON OR BEFORE EVERY JULY 1 THEREAFTER,
7 IF REQUESTED, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
8 REVENUE SHALL PROVIDE THE DEPARTMENT OF EARLY CHILDHOOD, THE
9 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE DEPARTMENT
10 OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL AFFAIRS, THE
11 DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF LABOR AND
12 EMPLOYMENT, THE BEHAVIORAL HEALTH ADMINISTRATION, THE
13 DEPARTMENT OF HIGHER EDUCATION, AND THE DEPARTMENT OF PUBLIC
14 HEALTH AND ENVIRONMENT INFORMATION FOR EACH RESIDENT
15 INDIVIDUAL WHO CLAIMED THE CREDIT ALLOWED BY SECTION
16 39-22-123.5, THE CREDIT ALLOWED BY SECTION 39-22-129, OR BOTH
17 CREDITS, FOR THE 2024 INCOME TAX YEAR OR ANY SUBSEQUENT TAX YEAR
18 FOR THE PURPOSE OF BENEFIT OUTREACH BY THE REQUESTING

1 DEPARTMENT, INCLUDING SHARING INFORMATION ABOUT HOW TO ENROLL,
2 THE INFORMATION NECESSARY TO ENROLL, AND WHEN POSSIBLE ASSISTING
3 WITH THE APPLICATION PROCESS. INFORMATION SHALL INCLUDE NAME,
4 ADDRESS, AND, WHEN AVAILABLE, EMAIL ADDRESS AND PHONE NUMBER.
5 WHEN POSSIBLE, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
6 REVENUE SHALL PROVIDE ADDITIONAL INFORMATION THAT MAY ASSIST
7 WITH DETERMINING ELIGIBILITY FOR THE BENEFITS ADMINISTERED BY THE
8 RESPECTIVE DEPARTMENT.

9 (b) THE INFORMATION THAT THE EXECUTIVE DIRECTOR IS
10 REQUIRED TO PROVIDE PURSUANT TO THIS SUBSECTION (34) IS SUBJECT TO
11 ANY LIMITATIONS IMPOSED PURSUANT TO SECTION 6103 OF THE FEDERAL
12 "INTERNAL REVENUE CODE OF 1986", AS AMENDED. THE REQUESTING
13 AGENCY SHALL SECURE THE [REDACTED] INFORMATION AS REQUIRED BY THIS
14 SUBSECTION (34) AND SHALL USE THE [REDACTED] INFORMATION FOR THE PURPOSES
15 DESCRIBED IN SUBSECTION (34)(a) OF THIS SECTION.

16 (c) ANY INFORMATION PROVIDED TO THE DEPARTMENT OF EARLY
17 CHILDHOOD, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING,
18 THE DEPARTMENT OF HUMAN SERVICES, THE DEPARTMENT OF LOCAL
19 AFFAIRS, THE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF LABOR
20 AND EMPLOYMENT, THE BEHAVIORAL HEALTH ADMINISTRATION, THE
21 DEPARTMENT OF HIGHER EDUCATION, OR THE DEPARTMENT OF PUBLIC
22 HEALTH AND ENVIRONMENT PURSUANT TO THIS SUBSECTION (34) REMAINS
23 CONFIDENTIAL, AND ALL AGENTS, CLERKS, AND EMPLOYEES OF THE
24 DEPARTMENT OF EARLY CHILDHOOD, THE DEPARTMENT OF HEALTH CARE
25 POLICY AND FINANCING, THE DEPARTMENT OF HUMAN SERVICES, THE
26 DEPARTMENT OF LOCAL AFFAIRS, AND THE DEPARTMENT OF PUBLIC
27 HEALTH AND ENVIRONMENT ARE SUBJECT TO THE LIMITATIONS SET FORTH

1 IN SUBSECTION (4) OF THIS SECTION AND THE PENALTIES CONTAINED IN
2 SUBSECTION (6) OF THIS SECTION TO THE SAME EXTENT AS AGENTS,
3 CLERKS, AND EMPLOYEES OF THE DEPARTMENT.

4 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-123.7 as
5 follows:

6 **39-22-123.7. Earned income tax credit - pilot program -**
7 **pre-populated tax return - rules - repeal.** (1) THERE IS CREATED IN THE
8 DEPARTMENT OF REVENUE A PILOT PROGRAM TO ASSIST RESIDENT
9 INDIVIDUALS IN CLAIMING FEDERAL TAX CREDITS FOR PRIOR TAX YEARS.
10 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3) OF THIS SECTION, TO
11 DEVELOP, IMPLEMENT, AND ADMINISTER THE PILOT PROGRAM, THE
12 DEPARTMENT OF REVENUE SHALL:

13 (a) COLLABORATE WITH A THIRD-PARTY ENTITY TO IDENTIFY THE
14 POPULATION OF RESIDENT INDIVIDUALS WHO MAY BE ELIGIBLE TO
15 CLAIM THE PRIOR YEAR TAX CREDIT;

16 (b) DEVELOP A MECHANISM TO SHARE WAGE DATA WITH THE
17 THIRD-PARTY ENTITY; AND

18 (c) DEVELOP A SYSTEM FOR RESIDENT INDIVIDUALS TO DIGITALLY
19 CONSENT TO HAVING WAGE DATA SHARED WITH THE THIRD-PARTY
20 ENTITY.

21 (2) AS THIRD-PARTY RESOURCES ALLOW, A THIRD-PARTY ENTITY
22 SHALL CREATE A PRE-POPULATED FEDERAL INCOME TAX RETURN FOR A
23 RESIDENT INDIVIDUAL WHO APPEARS TO QUALIFY FOR THE EARNED
24 INCOME TAX CREDIT OR CHILD TAX CREDIT. A THIRD-PARTY ENTITY MAY
25 ALSO CREATE PRE-POPULATED STATE INCOME TAX RETURNS FOR OTHER
26 TAX CREDITS THAT SUPPORT CHILDREN OR FAMILIES THROUGH RETRIEVING
27 INFORMATION FOR COMPLETING NECESSARY TAX CREDIT APPLICATIONS,

1 AND, WHERE POSSIBLE, SUBMIT THE PRE-POPULATED FORM TO THE
2 DEPARTMENT OF REVENUE OR INTERNAL REVENUE SERVICE. THE
3 DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR
4 DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS
5 SECTION. ■

6 (3) THE DEPARTMENT OF REVENUE SHALL DEVELOP, IMPLEMENT,
7 AND BEGIN TO ADMINISTER THE PILOT PROGRAM NO LATER THAN ■
8 AUGUST 15, 2025.

9 (4) THE DEPARTMENT OF REVENUE MAY ISSUE RULES FOR THE
10 IMPLEMENTATION OF THIS SECTION.

11 (5) (a) INFORMATION THAT THE DEPARTMENT OF REVENUE MAY
12 PROVIDE PURSUANT TO THIS SECTION IS SUBJECT TO ANY LIMITATIONS
13 IMPOSED PURSUANT TO SECTION 6103 OF THE INTERNAL REVENUE CODE.
14 THE ■ THIRD-PARTY ENTITY SHALL SECURE THE INFORMATION SHARED
15 PURSUANT TO THIS SECTION. ■

16 (b) INFORMATION PROVIDED TO THE ■ THIRD-PARTY ENTITY
17 PURSUANT TO THIS SECTION REMAINS CONFIDENTIAL, AND ALL AGENTS,
18 CLERKS, AND EMPLOYEES OF THE ■ THIRD-PARTY ENTITY ARE SUBJECT TO
19 THE LIMITATIONS SET FORTH IN SECTION 39-21-113 (4) AND THE
20 PENALTIES CONTAINED IN SECTION 39-21-113 (6) TO THE SAME EXTENT AS
21 AGENTS, CLERKS, AND EMPLOYEES OF THE DEPARTMENT OF REVENUE.

22 (6) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2027.

23 **SECTION 3.** In Colorado Revised Statutes, 26-2-104, **add** (1)(c)
24 as follows:

25 **26-2-104. Public assistance programs - automatic enrollment**
26 **- electronic benefits transfer service - joint reports with department**
27 **of revenue - signs - rules - definitions.** (1) (c) (I) NOTWITHSTANDING

1 ANY OTHER PROVISION OF LAW, A STATE, LOCAL, OR TRIBAL GOVERNMENT
2 MAY USE ANY DATA OR INFORMATION IN ITS POSSESSION TO
3 AUTOMATICALLY ENROLL, OR SEND A NOTICE OF POTENTIAL ELIGIBILITY
4 TO ENROLL TO, ANY INDIVIDUAL OR HOUSEHOLD REGARDING ANY BENEFIT
5 PROGRAM.

6 (II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A STATE,
7 LOCAL, OR TRIBAL GOVERNMENT MAY REQUEST AN INDIVIDUAL OR
8 HOUSEHOLD ATTEST TO RECEIVING SUPPORT FROM A BENEFIT PROGRAM OR
9 OTHERWISE PROVIDE PROOF OF THE INDIVIDUAL'S OR HOUSEHOLD'S
10 ENROLLMENT IN ANY BENEFIT PROGRAM WITH THE SAME OR MORE
11 RESTRICTIVE ENROLLMENT REQUIREMENTS AS EVIDENCE TO ENROLL AN
12 INDIVIDUAL OR HOUSEHOLD IN ANY OTHER BENEFIT PROGRAM.

13 (III) FOR THE PURPOSES OF THIS SUBSECTION (1)(c), UNLESS THE
14 CONTEXT OTHERWISE REQUIRES:

15 (A) "BENEFIT PROGRAM" MEANS ANY FEDERALLY, STATE, OR
16 LOCALLY FUNDED PROGRAM INTENDED TO PROVIDE ASSISTANCE OR
17 SUPPORT TO AN INDIVIDUAL OR HOUSEHOLD. "BENEFIT PROGRAM" DOES
18 NOT INCLUDE MONETARY ASSISTANCE OR SUPPORT THAT IS CLAIMED BY
19 AN INDIVIDUAL OR HOUSEHOLD WHEN FILING AN INCOME TAX RETURN.

20 (B) "STATE, LOCAL, OR TRIBAL GOVERNMENT" MEANS THE STATE,
21 A MUNICIPALITY, COUNTY, CITY AND COUNTY, OR FEDERALLY RECOGNIZED
22 TRIBAL NATION WITH LAND INSIDE OF THE STATE.

23 **SECTION 4. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly; except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

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