

**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. 24-0942.01 Caroline Martin x5902

**HOUSE BILL 24-1311**

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**HOUSE SPONSORSHIP**

**deGruy Kennedy and Willford**, Garcia, Bacon, Mabrey, Ortiz, Rutinel, Sirota, Weissman

**SENATE SPONSORSHIP**

**Winter F. and Coleman**,

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE CREATION OF A FAMILY AFFORDABILITY TAX**  
102      **CREDIT.**

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**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 and after January 1, 2024, the bill creates a family affordability tax credit (credit) as follows:

- For each of a taxpayer's eligible children 5 years of age or younger, a taxpayer filing a single return with adjusted gross income of \$15,000 or less and taxpayers filing a joint return with adjusted gross income of \$25,000 or less can

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.

- claim a \$3,200 credit;
- For each of a taxpayer's eligible children 5 years of age or younger, a taxpayer filing a single return with adjusted gross income between \$15,000 and \$85,000 and taxpayers filing a joint return with adjusted gross income between \$25,000 and \$95,000 can claim a credit, the amount of which is reduced by \$220 from \$3,200 for every \$5,000 above \$15,000 or \$25,000 of adjusted gross income that the resident individual or individuals make;
- For each of a taxpayer's eligible children between the ages of 6 and 16, a taxpayer filing a single return with adjusted gross income of \$15,000 or less and taxpayers filing a joint return with adjusted gross income of \$25,000 or less can claim \$2,400; and
- For each of a taxpayer's eligible children between the ages of 6 and 16, a taxpayer filing a single return with adjusted gross income between \$15,000 and \$85,000 and taxpayers filing a joint return with adjusted gross income between \$25,000 and \$95,000 can claim a credit, the amount of which is reduced by \$165 from \$2,400 for every \$5,000 above \$15,000 or \$25,000 of adjusted gross income that the resident individual or individuals make.

The bill also provides that the full amount of the credit can only be claimed for an income tax year in which there are projected to be excess state revenues for the fiscal year that ends during the income tax year that are required to be refunded pursuant to section 20 (7)(d) of article X of the state constitution in an amount that will equal or exceed the amount required to be refunded pursuant to the homestead property tax exemption plus the projected full amount of the credit. For an income tax year in which there are projected to be excess state revenues for the fiscal year that ends during the income tax year that will exceed the amount required to be refunded pursuant to the homestead property tax exemption but will not exceed that amount plus the projected aggregate amount of the credit that may be claimed in that income tax year, the credit will be allowed but will be reduced proportionally so that the aggregate amount of the credit available is equal to the amount of excess state revenues remaining to be refunded. For an income tax year in which there is not projected to be excess state revenues for the fiscal year that ends during the income tax year or the amount of such excess state revenues required to be refunded will be less than the amount required to be refunded pursuant to the homestead property tax exemption, the credit is not allowed for that income tax year. The department of revenue is authorized and encouraged to develop a means of paying the credit in 12 equal monthly payments rather than annually.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-130 as  
3 follows:

4           **39-22-130. Family affordability tax credit - definitions -**  
5 **legislative declaration - repeal.** (1) (a) THE GENERAL ASSEMBLY HEREBY  
6 FINDS AND DECLARES THAT:

7           (I) FOR THE 2023-24 FISCAL YEAR, COLORADO IS PROJECTED TO  
8 HAVE NEARLY **TWO BILLION TWENTY-EIGHT MILLION** DOLLARS OF STATE  
9 REVENUE IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING  
10 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION  
11 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
12 ARTICLE X OF THE STATE CONSTITUTION. COLORADO IS PROJECTED TO  
13 CONTINUE TO HAVE SIMILAR AMOUNTS OF EXCESS STATE REVENUE IN THE  
14 FUTURE. AT A TIME WHEN THESE RESOURCES ARE AVAILABLE, IT IS  
15 IMPERATIVE THAT THE STATE DISTRIBUTE THEM IN ORDER TO MAKE THE  
16 GREATEST IMPACT ON FAMILIES AND THE ECONOMY.

17           (II) COLORADO FAMILIES STRUGGLE TO AFFORD MANY NECESSARY  
18 GOODS AND SERVICES, SUCH AS CHILD CARE, HOUSING, AND HEALTH CARE.  
19 EIGHTY-THREE PERCENT OF COLORADO PARENTS WORRY THAT THEIR  
20 CHILDREN WON'T BE ABLE TO AFFORD TO LIVE IN THE STATE IN THE FUTURE.  
21 INVESTING IN PROGRAMS TO LOWER COSTS FOR COLORADO FAMILIES IS  
22 ESSENTIAL. HOWEVER, CONSTITUTIONAL RESTRAINTS IMPOSED BY SECTION  
23 20 OF ARTICLE X OF THE STATE CONSTITUTION LIMIT THE STATE FROM  
24 MAKING THESE CRITICAL INVESTMENTS. THE NEXT BEST OPTION IS  
25 PROVIDING RESEARCH-BASED TAX EXPENDITURES TO SUPPORT COLORADO  
26 FAMILIES.

1 (III) TARGETED TAX CREDITS ARE A PROVEN TOOL TO LIFT FAMILIES  
2 OUT OF POVERTY AND HELP COUNTLESS FAMILIES ACROSS THE COUNTRY.  
3 RESEARCH HAS SHOWN THAT FAMILIES THAT RECEIVE THESE TYPES OF TAX  
4 CREDITS, SUCH AS THE STATE AND FEDERAL CHILD TAX CREDIT AND THE  
5 STATE AND FEDERAL EARNED INCOME TAX CREDIT, HAVE BETTER HEALTH,  
6 IMPROVED SCHOOLING OUTCOMES, AND INCREASED ADULT EARNING  
7 POTENTIAL. AS THE COST OF RAISING CHILDREN HAS INCREASED, A FAMILY  
8 AFFORDABILITY TAX CREDIT IS CRITICAL FOR THE WELL-BEING OF MANY  
9 CHILDREN AND FAMILIES ACROSS COLORADO.

10 (IV) ACCORDING TO THE INSTITUTE ON TAXATION AND ECONOMIC  
11 POLICY, "[T]O CUT CHILD POVERTY RATES BY HALF, THE MAJORITY OF  
12 STATES WOULD REQUIRE A BASE CREDIT VALUE OF BETWEEN THREE  
13 THOUSAND DOLLARS AND FOUR THOUSAND FIVE HUNDRED DOLLARS PER  
14 CHILD PLUS A TWENTY PERCENT BOOST FOR YOUNG CHILDREN". WHEN  
15 COUPLED WITH THE STATE AND FEDERAL EARNED INCOME TAX CREDIT AND  
16 THE STATE AND FEDERAL CHILD TAX CREDIT, THE ADDITIONAL INVESTMENT  
17 PROVIDED BY THE FAMILY AFFORDABILITY TAX CREDIT WOULD ESTABLISH  
18 COLORADO AS A NATIONAL LEADER IN EQUITABLE ECONOMIC POLICY.

19 (V) COLORADO IS DEALING WITH RISING COSTS AND FUNDING  
20 SHORTFALLS IN MANY AREAS ACROSS OUR STATE. IT IS NECESSARY TO USE  
21 THE EXCESS STATE REVENUE TO HELP SOLVE THESE PROBLEMS IN A WAY  
22 THAT CONFORMS WITH THE CURRENT STATE CONSTITUTION BY PROVIDING  
23 TAX CREDITS TO THE PEOPLE WHO NEED IT MOST IN A WAY THAT WILL DO  
24 THE MOST GOOD. ESTABLISHING THE FAMILY AFFORDABILITY TAX CREDIT  
25 IS A PROVEN WAY TO DO THAT.

26 (VI) BY PRIORITIZING THE STATE'S LOWEST-INCOME FAMILIES,  
27 EXPANDING THE CHILD AGE ELIGIBILITY, AND INCLUDING MORE FAMILIES,

1 THE STATE CAN USE A PORTION OF ITS EXCESS REVENUE TO PROVIDE  
2 RESEARCH-BACKED INVESTMENTS FOR FAMILIES. THROUGH THOUGHTFUL  
3 AND STRATEGIC INVESTMENT, COLORADO CAN CUT CHILD POVERTY  
4 NEARLY IN HALF.

5 (b) IN ACCORDANCE WITH SECTION 39-21-304(1), WHICH REQUIRES  
6 EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX  
7 PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
8 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND  
9 DECLARES THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN  
10 SUBSECTION (2) OF THIS SECTION ARE TO SUBSTANTIALLY REDUCE CHILD  
11 POVERTY, MAKE COLORADO MORE AFFORDABLE FOR FAMILIES, AND HELP  
12 FAMILIES AFFORD EXPENSES ASSOCIATED WITH HAVING CHILDREN BY  
13 PROVIDING TAX RELIEF FOR CERTAIN INDIVIDUALS.

14 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR, IN  
15 CONSULTATION WITH THE DEPARTMENT OF REVENUE, SHALL MEASURE THE  
16 EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS SECTION BY  
17 DETERMINING THE NUMBER OF COLORADO FAMILIES WHO, AFTER CLAIMING  
18 A CREDIT OR CREDITS IN THIS SECTION, NO LONGER FALL BELOW THE  
19 FEDERAL POVERTY LEVEL IN THE TAX YEAR IN WHICH THEY CLAIMED THE  
20 CREDIT OR CREDITS.

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

23 (a) "ELIGIBLE CHILD" MEANS A QUALIFYING CHILD, AS DEFINED IN  
24 SECTION 152 (c) OF THE "INTERNAL REVENUE CODE OF 1986"; EXCEPT  
25 THAT THE AGE REQUIREMENTS ARE AS SET FORTH SUBSECTIONS (3)(a)(I),  
26 (3)(a)(II), (3)(b)(I), AND (3)(b)(II) OF THIS SECTION.

27 (b) "FEDERAL POVERTY LEVEL" MEANS THE POVERTY LINE THAT IS

1 REQUIRED TO BE UPDATED ANNUALLY WITHIN THE FEDERAL POVERTY  
2 GUIDELINES ADOPTED BY THE UNITED STATES DEPARTMENT OF HEALTH  
3 AND HUMAN SERVICES PURSUANT TO 42 U.S.C. SEC. 9902 (2).

4 (c) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE  
5 UNITED STATES DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS  
6 CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS  
7 PAID BY ALL URBAN CONSUMERS, OR ITS APPLICABLE SUCCESSOR INDEX.

8 (3) (a) (I) IN ADDITION TO THE CHILD TAX CREDIT ALLOWED BY  
9 SECTION 39-22-129, FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
10 JANUARY 1, 2024, A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN IS  
11 ALLOWED A FAMILY AFFORDABILITY TAX CREDIT AGAINST THE INCOME  
12 TAXES DUE UNDER THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE  
13 RESIDENT INDIVIDUAL WHO IS FIVE YEARS OF AGE OR YOUNGER AT THE  
14 CLOSE OF THE INCOME TAX YEAR AS FOLLOWS:

15 (A) A RESIDENT INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS  
16 INCOME IS LESS THAN OR EQUAL TO FIFTEEN THOUSAND DOLLARS SHALL  
17 RECEIVE A CREDIT IN THE AMOUNT OF THREE THOUSAND TWO HUNDRED  
18 DOLLARS; AND

19 (B) A RESIDENT INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS  
20 INCOME IS BETWEEN FIFTEEN THOUSAND DOLLARS AND EIGHTY-FIVE  
21 THOUSAND DOLLARS SHALL RECEIVE A CREDIT WITH THE AMOUNT OF THE  
22 CREDIT BEING REDUCED BY TWO HUNDRED TWENTY DOLLARS FROM THE  
23 AMOUNT SPECIFIED IN SUBSECTION (3)(a)(I)(A) OF THIS SECTION FOR  
24 EVERY FIVE THOUSAND DOLLARS OF ADJUSTED GROSS INCOME ABOVE  
25 FIFTEEN THOUSAND DOLLARS THAT THE RESIDENT INDIVIDUAL MAKES.

26 (II) IN ADDITION TO THE CHILD TAX CREDIT ALLOWED BY SECTION  
27 39-22-129, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY

1 1, 2024, A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN IS ALLOWED  
2 A FAMILY AFFORDABILITY TAX CREDIT AGAINST THE INCOME TAXES DUE  
3 UNDER THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE RESIDENT  
4 INDIVIDUAL WHO IS SIX YEARS OF AGE OR OLDER BUT LESS THAN  
5 SEVENTEEN YEARS OF AGE AT THE CLOSE OF THE INCOME TAX YEAR AS  
6 FOLLOWS:

7 (A) A RESIDENT INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS  
8 INCOME IS LESS THAN OR EQUAL TO FIFTEEN THOUSAND DOLLARS SHALL  
9 RECEIVE A CREDIT IN THE AMOUNT OF TWO THOUSAND FOUR HUNDRED  
10 DOLLARS; AND

11 (B) A RESIDENT INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS  
12 INCOME IS BETWEEN FIFTEEN THOUSAND DOLLARS AND EIGHTY-FIVE  
13 THOUSAND DOLLARS SHALL RECEIVE A CREDIT WITH THE AMOUNT OF THE  
14 CREDIT BEING REDUCED BY ONE HUNDRED SIXTY-FIVE DOLLARS FROM THE  
15 AMOUNT SPECIFIED IN SUBSECTION (3)(a)(II)(A) OF THIS SECTION FOR  
16 EVERY FIVE THOUSAND DOLLARS OF ADJUSTED GROSS INCOME ABOVE  
17 FIFTEEN THOUSAND DOLLARS THAT THE RESIDENT INDIVIDUAL MAKES.

18 (III) A RESIDENT INDIVIDUAL WHO FILES A SINGLE RETURN AND  
19 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN EIGHTY-FIVE  
20 THOUSAND DOLLARS IS NOT ALLOWED A CREDIT UNDER THIS SECTION.

21 (b) (I) IN ADDITION TO THE CHILD TAX CREDIT ALLOWED BY  
22 SECTION 39-22-129, FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
23 JANUARY 1, 2024, TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN  
24 ARE ALLOWED A FAMILY AFFORDABILITY TAX CREDIT AGAINST THE INCOME  
25 TAXES DUE UNDER THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE  
26 RESIDENT INDIVIDUALS WHO IS FIVE YEARS OF AGE OR YOUNGER AT THE  
27 CLOSE OF THE INCOME TAX YEAR AS FOLLOWS:

1 (A) TWO RESIDENT INDIVIDUALS WHOSE FEDERAL ADJUSTED GROSS  
2 INCOME IS LESS THAN OR EQUAL TO TWENTY-FIVE THOUSAND DOLLARS  
3 SHALL RECEIVE A CREDIT IN THE AMOUNT OF THREE THOUSAND TWO  
4 HUNDRED DOLLARS; AND

5 (B) TWO RESIDENT INDIVIDUALS WHOSE FEDERAL ADJUSTED GROSS  
6 INCOME IS BETWEEN TWENTY-FIVE THOUSAND DOLLARS AND NINETY-FIVE  
7 THOUSAND DOLLARS SHALL RECEIVE A CREDIT WITH THE AMOUNT OF THE  
8 CREDIT BEING REDUCED BY TWO HUNDRED TWENTY DOLLARS FROM THE  
9 AMOUNT SPECIFIED IN SUBSECTION (3)(b)(I)(A) OF THIS SECTION FOR  
10 EVERY FIVE THOUSAND DOLLARS OF ADJUSTED GROSS INCOME ABOVE  
11 TWENTY-FIVE THOUSAND DOLLARS THAT THE RESIDENT INDIVIDUALS  
12 MAKE.

13 (II) IN ADDITION TO THE CHILD TAX CREDIT ALLOWED BY SECTION  
14 39-22-129, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
15 1, 2024, TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN ARE  
16 ALLOWED A FAMILY AFFORDABILITY TAX CREDIT AGAINST THE INCOME  
17 TAXES DUE UNDER THIS ARTICLE 22 FOR EACH ELIGIBLE CHILD OF THE  
18 RESIDENT INDIVIDUALS WHO IS SIX YEARS OF AGE OR OLDER BUT LESS  
19 THAN SEVENTEEN YEARS OF AGE AT THE CLOSE OF THE INCOME TAX YEAR  
20 AS FOLLOWS:

21 (A) TWO RESIDENT INDIVIDUALS WHOSE FEDERAL ADJUSTED GROSS  
22 INCOME IS LESS THAN OR EQUAL TO TWENTY-FIVE THOUSAND DOLLARS  
23 SHALL RECEIVE A CREDIT IN THE AMOUNT OF TWO THOUSAND FOUR  
24 HUNDRED DOLLARS; AND

25 (B) TWO RESIDENT INDIVIDUALS WHOSE FEDERAL ADJUSTED GROSS  
26 INCOME IS BETWEEN TWENTY-FIVE THOUSAND DOLLARS AND NINETY-FIVE  
27 THOUSAND DOLLARS SHALL RECEIVE A CREDIT WITH THE AMOUNT OF THE



1 CREDIT BEING REDUCED BY ONE HUNDRED SIXTY-FIVE DOLLARS FROM THE  
2 AMOUNT SPECIFIED IN SUBSECTION (3)(b)(II)(A) OF THIS SECTION FOR  
3 EVERY FIVE THOUSAND DOLLARS OF ADJUSTED GROSS INCOME ABOVE  
4 TWENTY-FIVE THOUSAND DOLLARS THAT THE RESIDENT INDIVIDUALS  
5 MAKE.

6 (III) TWO RESIDENT INDIVIDUALS WHO FILE A JOINT RETURN AND  
7 WHOSE FEDERAL ADJUSTED GROSS INCOME IS GREATER THAN NINETY-FIVE  
8 THOUSAND DOLLARS ARE NOT ALLOWED A CREDIT UNDER THIS SECTION.

9 (4) (a) (I) THE FULL CREDIT AMOUNTS SET FORTH IN  
10 SUBSECTION (3) OF THIS SECTION ARE ONLY ALLOWED FOR AN INCOME TAX  
11 YEAR IN WHICH THE ESTIMATE OF EXCESS STATE REVENUES, AS DEFINED IN  
12 SUBSECTION (4)(a)(II) OF THIS SECTION, EXCEEDS THE SUM OF THE  
13 PROJECTED AGGREGATE AMOUNT OF THE CREDIT CLAIMED FOR THE INCOME  
14 TAX YEAR PLUS THE AMOUNTS PROJECTED TO BE REFUNDED AS REQUIRED  
15 BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 IN THE INCOME TAX YEAR.

16 (II) AS USED IN THIS SUBSECTION (4), "ESTIMATE OF EXCESS STATE  
17 REVENUES" MEANS THE LESSER ESTIMATE, AS BETWEEN THE QUARTERLY  
18 SEPTEMBER FORECAST OF THE LEGISLATIVE COUNCIL STAFF AND THE  
19 QUARTERLY SEPTEMBER FORECAST OF THE OFFICE OF STATE PLANNING  
20 AND BUDGETING, OF STATE REVENUES FOR THE STATE FISCAL YEAR  
21 BEGINNING IN THAT INCOME TAX YEAR THAT IS EXPECTED TO EXCEED THE  
22 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
23 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION. FOR THE PURPOSE OF  
24 DETERMINING THE ESTIMATE OF EXCESS STATE REVENUES AS SET FORTH IN  
25 THIS SUBSECTION (4), IN THE QUARTERLY SEPTEMBER FORECAST OF THE  
26 LEGISLATIVE COUNCIL STAFF AND THE QUARTERLY SEPTEMBER FORECAST  
27 OF THE OFFICE OF STATE PLANNING AND BUDGETING, THE LEGISLATIVE

1 COUNCIL STAFF AND THE OFFICE OF STATE PLANNING AND BUDGETING  
2 SHALL EXCLUDE THE PROJECTED AGGREGATE AMOUNT OF THE CREDIT  
3 ALLOWED BY THIS SECTION FOR THE INCOME TAX YEAR IN THEIR  
4 ESTIMATES OF FISCAL YEAR SPENDING FOR THE STATE FISCAL YEAR.

5 (b) IF THE ESTIMATE OF EXCESS STATE REVENUES DOES NOT  
6 EXCEED THE SUM OF THE PROJECTED AGGREGATE AMOUNT OF THE CREDIT  
7 CLAIMED FOR THE INCOME TAX YEAR PLUS THE AMOUNTS PROJECTED TO BE  
8 REFUNDED AS REQUIRED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 IN THE  
9 INCOME TAX YEAR, BUT EXCEEDS THE AMOUNTS PROJECTED TO BE  
10 REFUNDED AS REQUIRED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 IN THE  
11 INCOME TAX YEAR, THEN THE CREDIT AMOUNTS ALLOWED PURSUANT TO  
12 SUBSECTION (3) OF THIS SECTION ARE ALLOWED BUT MUST BE REDUCED  
13 PROPORTIONALLY SO THAT THE AGGREGATE AMOUNT OF THE CREDIT  
14 AVAILABLE IS EQUAL TO THE AMOUNT OF EXCESS STATE REVENUES  
15 REMAINING TO BE REFUNDED.

16 (c) FOR AN INCOME TAX YEAR IN WHICH THERE IS NO ESTIMATE  
17 OF EXCESS STATE REVENUES BECAUSE THE QUARTERLY SEPTEMBER  
18 FORECAST OF THE LEGISLATIVE COUNCIL STAFF OR THE QUARTERLY  
19 SEPTEMBER FORECAST OF THE OFFICE OF STATE PLANNING AND BUDGETING  
20 PROJECT THAT THE STATE WILL NOT BE REQUIRED TO REFUND EXCESS  
21 REVENUES UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE  
22 CONSTITUTION, OR FOR AN INCOME TAX YEAR IN WHICH THE ESTIMATE OF  
23 EXCESS STATE REVENUES IS NOT PROJECTED TO EXCEED THE AMOUNTS  
24 PROJECTED TO BE REFUNDED AS REQUIRED BY PART 2 OF ARTICLE 3 OF THIS  
25 TITLE 39 IN THE INCOME TAX YEAR, THEN THE CREDIT IS NOT ALLOWED FOR  
26 THAT INCOME TAX YEAR.

27

1           (5) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION  
2 THAT EXCEEDS THE RESIDENT INDIVIDUAL'S INCOME TAXES DUE IS  
3 REFUNDED TO THE INDIVIDUAL.

4           (6) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT ALLOWED  
5 UNDER THIS SECTION IS APPORTIONED IN THE RATIO DETERMINED UNDER  
6 SECTION 39-22-110 (1).

7           (7) THE CREDIT ALLOWED UNDER THIS SECTION IS NOT CONSIDERED  
8 TO BE INCOME OR RESOURCES FOR THE PURPOSE OF DETERMINING  
9 ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE BENEFITS AND  
10 MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE LAW OR FOR A  
11 PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED PROGRAMS.

12           (8) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
13 1, 2025, THE DEPARTMENT OF REVENUE SHALL ADJUST THE FEDERAL  
14 ADJUSTED GROSS INCOME AMOUNTS SET FORTH IN THIS SECTION TO  
15 REFLECT INFLATION FOR EACH INCOME TAX YEAR IN WHICH THE CREDIT  
16 DESCRIBED IN THIS SECTION IS ALLOWED IF CUMULATIVE INFLATION SINCE  
17 THE LAST ADJUSTMENT, WHEN APPLIED TO THE CURRENT LIMITS, RESULTS  
18 IN AN INCREASE OF AT LEAST ONE THOUSAND DOLLARS WHEN THE  
19 ADJUSTED LIMITS ARE ROUNDED TO THE NEAREST ONE THOUSAND  
20 DOLLARS.

21           (9) THE DEPARTMENT OF REVENUE IS AUTHORIZED AND  
22 ENCOURAGED TO DEVELOP A MEANS OF PAYING THE CREDITS ALLOWED BY  
23 THIS SECTION TO RESIDENT INDIVIDUALS WHO QUALIFY FOR THE CREDITS  
24 IN TWELVE EQUAL MONTHLY PAYMENTS RATHER THAN ANNUALLY.

25           (10) NOTWITHSTANDING SECTION 39-21-304 (4), THE CREDITS IN  
26 THIS SECTION CONTINUE INDEFINITELY.

27           **SECTION 2. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly; except  
3 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
4 of the state constitution against this act or an item, section, or part of this  
5 act within such period, then the act, item, section, or part will not take  
6 effect unless approved by the people at the general election to be held in  
7 November 2024 and, in such case, will take effect on the date of the  
8 official declaration of the vote thereon by the governor.