

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Appropriations.

HB26-1289 be amended as follows:

1 Amend Finance Committee Report, dated March 23, 2026, page 11, after  
2 line 27 insert:

3 "SECTION 31. In Colorado Revised Statutes, 39-22-123.5,  
4 **amend** (3.5)(b)(I) and (3.5)(c) introductory portion; and **add** (2.7)(d) as  
5 follows:

6 **39-22-123.5. Earned income tax credit - legislative declaration**  
7 **- repeal.**

8 (2.7) (d) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
9 JANUARY 1, 2028, A RESIDENT INDIVIDUAL IS ALLOWED AN EARNED  
10 INCOME TAX CREDIT AGAINST THE TAXES DUE UNDER THIS ARTICLE 22  
11 THAT IS EQUAL TO THE APPLICABLE PERCENTAGE, SET FORTH IN  
12 SUBSECTION (2.7)(d)(II) OF THIS SECTION, OF THE FEDERAL CREDIT THAT  
13 THE RESIDENT INDIVIDUAL WOULD HAVE BEEN ALLOWED UNDER SECTION  
14 32 (n)(2) OF THE INTERNAL REVENUE CODE, NOTWITHSTANDING THE DATE  
15 LIMITATION SET FORTH IN SECTION 32(n) OF THE INTERNAL REVENUE CODE  
16 AS SPECIFIED IN SECTION 9621 (a) OF THE "AMERICAN RESCUE PLAN ACT  
17 OF 2021", PUB.L. 117-2.

18 (II) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3.5) OF THIS  
19 SECTION, THE PERCENTAGE USED TO CALCULATE THE AMOUNT OF CREDIT  
20 THAT CAN BE CLAIMED PURSUANT TO SUBSECTION (2.7)(d)(I) OF THIS  
21 SECTION IS TWENTY-FIVE PERCENT.

22 (3.5) (b) (I) For the income tax year commencing on January 1,  
23 2025, the percentage of the federal earned income tax credit that the  
24 resident individual claimed or could have claimed that is used to calculate  
25 the amount of earned income tax credit allowed pursuant to subsections  
26 (2)(d), (2.5)(e), ~~and~~ (2.7)(c), AND (2.7)(d) of this section is increased by  
27 fifteen percentage points if the estimated adjustment factor is equal to or  
28 greater than two percent.

29 (c) For income tax years commencing on or after January 1, 2026,  
30 the percentage of the federal earned income tax credit that the resident  
31 individual claimed or could have claimed that is used to calculate the  
32 amount of earned income tax credit allowed pursuant to subsections  
33 (2)(d), (2.5)(e), ~~and~~ (2.7)(c), AND (2.7)(d) of this section is increased as  
34 follows if the estimated adjustment factor is as follows:".

35 Renumber succeeding sections accordingly.

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