

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0915.01 Sarah Lozano x3858

HOUSE BILL 26-1346

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HOUSE SPONSORSHIP

Titone and Woodrow,

SENATE SPONSORSHIP

Kipp,

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House Committees  
Finance

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING ALLOWING THE DEPARTMENT OF THE TREASURY TO SELL  
102 UNSOLD INSURANCE PREMIUM TAX CREDITS TO ENTITIES THAT  
103 ARE NOT INSURANCE COMPANIES.

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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>.)*

House Bill 25B-1004, enacted in 2025, authorized the department of the treasury (department) to sell insurance premium tax credits (tax credits) to insurance companies that incur state premium tax liability. The bill allows the department, following the department's application process for insurance companies to purchase tax credits from the department, to

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.

sell tax credits to other entities that contract with the department. An entity that contracts with the department to purchase tax credits may transfer the tax credits once to an insurance company. The insurance company is not permitted to further transfer the tax credits following the transfer to the insurance company.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-36-402, **amend**  
3 (4) as follows:

4           **24-36-402. Definitions.**

5           As used in this part 4, unless the context otherwise requires:

6           (4) (a) "Qualified taxpayer" means:

7           (I) An insurance company authorized to do business in Colorado  
8 that has premium tax liability owing to the state and that purchases a tax  
9 credit under this part 4; OR

10           (II) AN ENTITY, OTHER THAN AN INSURANCE COMPANY,  
11 AUTHORIZED TO DO BUSINESS IN COLORADO THAT CONTRACTS WITH THE  
12 DEPARTMENT TO PURCHASE A TAX CREDIT THAT REMAINS UNSOLD  
13 FOLLOWING THE APPLICATION PROCESS FOR INSURANCE COMPANIES  
14 CONDUCTED BY THE DEPARTMENT PURSUANT TO SECTION 24-36-403.

15           (b) "Qualified taxpayer" also includes an insurance company that  
16 receives or assumes a tax credit transferred in accordance with section  
17 24-36-403 (7)(e) or 24-36-404 (5).

18           **SECTION 2.** In Colorado Revised Statutes, 24-36-404, **amend**  
19 (5) as follows:

20           **24-36-404. Use of insurance premium tax credits - carry over.**

21           (5) (a) If a qualified taxpayer holding an unclaimed tax credit is  
22 part of a merger, acquisition, or line of business divestiture transaction,  
23 the tax credit may be transferred to and assumed by the resulting entity if

1 the resulting entity is an insurance company authorized to do business in  
2 Colorado that has premium tax liability.

3 (b) AN UNCLAIMED TAX CREDIT PURCHASED BY A QUALIFIED  
4 TAXPAYER DESCRIBED IN SECTION 24-36-402 (4)(a)(II) MAY BE  
5 TRANSFERRED ONCE TO AN INSURANCE COMPANY AUTHORIZED TO DO  
6 BUSINESS IN COLORADO THAT HAS PREMIUM TAX LIABILITY, WHICH  
7 INSURANCE COMPANY SHALL NOT TRANSFER THE TAX CREDIT EXCEPT IN  
8 ACCORDANCE WITH SUBSECTION (5)(a) OF THIS SECTION OR SECTION  
9 24-36-403 (7)(e).

10 (c) The qualified taxpayer that originally purchased the credit and  
11 the resulting entity OR INSURANCE COMPANY TRANSFEREE, AS APPLICABLE,  
12 shall notify the department in writing of the transfer or assumption of the  
13 credit in accordance with procedures adopted by the department. The  
14 transfer or assumption of the tax credit does not affect the time schedule  
15 for claiming the tax credit as provided in this section.

16 **SECTION 3. Safety clause.** The general assembly finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, or safety or for appropriations for  
19 the support and maintenance of the departments of the state and state  
20 institutions.