

# An Act

HOUSE BILL 22-1205

BY REPRESENTATIVE(S) Kennedy and Weissman, Amabile, Benavidez, Bennett, Bird, Bockenfeld, Boesenecker, Caraveo, Cutter, Daugherty, Duran, Esgar, Exum, Froelich, Gonzales-Gutierrez, Herod, Hooton, Jodeh, Kipp, Lontine, McCluskie, McCormick, McLachlan, Michaelson Jenet, Mullica, Ricks, Roberts, Sirota, Snyder, Titone, Valdez A., Valdez D., Young, Garnett;

also SENATOR(S) Hansen and Coleman, Bridges, Buckner, Danielson, Fields, Ginal, Hinrichsen, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Priola, Rankin, Rodriguez, Story, Winter, Zenzinger, Fenberg.

CONCERNING THE CREATION OF AN INCOME TAX CREDIT TO HELP INCOME-QUALIFIED SENIORS AFFORD HOUSING, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, 39-3-207, **add** (7) as follows:

**39-3-207. Reporting of exemptions - reimbursement to local governmental entities - repeal.** (7) (a) ON OR BEFORE DECEMBER 1, 2022, THE ADMINISTRATOR SHALL PROVIDE A REPORT TO THE DEPARTMENT OF

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

REVENUE WITH THE NAMES AND SOCIAL SECURITY NUMBERS OF ALL OF THE APPLICANTS ELIGIBLE FOR THE EXEMPTION FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, BASED ON THE ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION (2) OF THIS SECTION OF THE REPORTS RECEIVED IN ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION.

(b) ON OR BEFORE APRIL 1, 2023, THE ADMINISTRATOR SHALL PROVIDE A REPORT TO THE DEPARTMENT OF REVENUE WITH THE NAMES AND SOCIAL SECURITY NUMBERS OF ALL TAXPAYERS ENTITLED TO THE EXEMPTION FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, BASED ON THE ADMINISTRATOR'S EXAMINATION UNDER SUBSECTION (3.5) OF THIS SECTION OF THE REPORTS RECEIVED IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION.

(c) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2023.

**SECTION 2.** In Colorado Revised Statutes, **add** 39-22-544 as follows:

**39-22-544. Credit against tax - qualifying seniors - creation - legislative declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(I) COLORADO'S AFFORDABLE HOUSING SHORTAGE IS HURTING SENIORS, MAKING IT MORE DIFFICULT FOR MANY SENIORS TO AFFORD HOUSING;

(II) THE SENIOR PROPERTY TAX EXEMPTION WAS ADOPTED BY COLORADO VOTERS IN 2000 IN ORDER TO HELP SENIORS AFFORD TO STAY IN THEIR HOMES;

(III) MANY SENIORS ARE INELIGIBLE FOR THE SENIOR PROPERTY TAX EXEMPTION BECAUSE THEY HAVE OWNED THEIR HOME FOR FEWER THAN TEN YEARS OR BECAUSE THEY RENT; AND

(IV) PROPERTY TAX REBATES OR TAX-EQUIVALENT REBATES FOR RENTERS AVAILABLE UNDER SECTION 39-31-102 ONLY ASSIST SENIORS WITH INCOMES BELOW VERY LOW THRESHOLDS.

(b) (I) THEREFORE, IN ORDER TO HELP MORE SENIORS AFFORD THE

HIGH COST OF HOUSING IN COLORADO, THE GENERAL ASSEMBLY HEREBY INTENDS TO ESTABLISH A REFUNDABLE INCOME TAX CREDIT FOR INCOME-QUALIFIED SENIORS WHO DO NOT QUALIFY FOR THE SENIOR PROPERTY TAX EXEMPTION TO HELP THEM AFFORD THE HIGH COST OF HOUSING.

(II) IN ACCORDANCE WITH SECTION 39-21-304 (1), THE PURPOSE OF THE TAX EXPENDITURE CREATED IN THIS SECTION IS TO PROVIDE TAX RELIEF FOR INCOME-QUALIFIED SENIORS.

(c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE EXEMPTION IN ACHIEVING THE PURPOSE SPECIFIED IN SUBSECTION (1)(b)(II) OF THIS SECTION BASED ON THE NUMBER OF TAXPAYERS WHO HAVE CLAIMED THE EXEMPTION.

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

(a) "CREDIT" MEANS A CREDIT AGAINST INCOME TAX THAT IS CREATED IN THIS SECTION.

(b) "QUALIFYING SENIOR" MEANS A RESIDENT INDIVIDUAL WHO:

(I) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE END OF 2022;

(II) HAS A FEDERAL ADJUSTED GROSS INCOME THAT IS LESS THAN OR EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1, 2022; AND

(III) HAS NOT CLAIMED A PROPERTY TAX EXEMPTION UNDER SECTION 39-3-203 FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022.

(3) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1, 2022, A QUALIFYING SENIOR IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT SET FORTH IN SUBSECTION (4) OF THIS SECTION.

(4) (a) THE AMOUNT OF THE CREDIT IS ONE THOUSAND DOLLARS FOR A QUALIFYING SENIOR WITH FEDERAL ADJUSTED GROSS INCOME THAT IS TWENTY-FIVE THOUSAND DOLLARS OR LESS. FOR EVERY FIVE HUNDRED

DOLLARS OF ADJUSTED GROSS INCOME ABOVE TWENTY-FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED BY TEN DOLLARS.

(b) THE CREDIT IS THE SAME WHETHER IT IS CLAIMED BY ONE TAXPAYER FILING A SINGLE RETURN OR TWO TAXPAYERS FILING A JOINT RETURN. IN THE CASE OF TWO TAXPAYERS WHO SHARE THE SAME PRIMARY RESIDENCE AND WHO MAY LEGALLY FILE A JOINT RETURN BUT ACTUALLY FILE SEPARATE RETURNS, BOTH TAXPAYERS MAY CLAIM THE CREDIT, BUT THE MAXIMUM CREDIT FOR EACH IS FIVE HUNDRED DOLLARS AND, FOR EVERY FIVE HUNDRED DOLLARS OF ADJUSTED GROSS INCOME ABOVE TWENTY-FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED BY FIVE DOLLARS.

(c) NOTWITHSTANDING SUBSECTIONS (4)(a) AND (4)(b) OF THIS SECTION, A TAXPAYER WHO ALSO QUALIFIES FOR A GRANT UNDER ARTICLE 31 OF THIS TITLE 39 DURING CALENDAR YEAR 2022 IS ELIGIBLE TO RECEIVE THE FULL CREDIT WITHOUT AN INCOME-BASED REDUCTION THAT OTHERWISE APPLIES FOR THE TAXPAYER UNDER SUBSECTION (4)(a) OR (4)(b) OF THIS SECTION.

(5)(a) ANY AMOUNT OF THE CREDIT THAT EXCEEDS THE QUALIFYING SENIOR'S INCOME TAXES DUE IS REFUNDED TO THE QUALIFYING SENIOR.

(b) TO THE EXTENT PERMITTED BY FEDERAL LAW, THE CREDIT IS NOT INCOME OR RESOURCES FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE BENEFITS AND MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE LAW OR FOR A PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED PROGRAMS.

(6) THE DEPARTMENT OF REVENUE MAY USE THE REPORTS RECEIVED FROM THE PROPERTY TAX ADMINISTRATOR IN ACCORDANCE WITH SECTION 39-3-207 (7) FOR PURPOSES OF CONFIRMING THAT A TAXPAYER MEETS THE ELIGIBILITY REQUIREMENT SET FORTH IN SUBSECTION (2)(b)(III) OF THIS SECTION.

**SECTION 3. Appropriation.** (1) For the 2022-23 state fiscal year, \$424,445 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$240,624 for use by taxation services for personal services related to administration, which amount is based on an assumption that the department will require an additional 4.7 FTE;

(b) \$99,039 for tax administration IT system (GenTax) support;

(c) \$50,555 for use by taxation services for operating expenses related to administration;

(d) \$27,827 for the purchase of document management services; and

(e) \$6,400 for use by the executive director's office for personal services related to administration and support.

(2) For the 2022-23 state fiscal year, \$27,827 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(d) of this section. To implement this act, the department of personnel may use this appropriation to provide document management services for the department of revenue.

**SECTION 4. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in

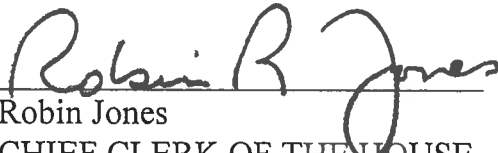
November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.




Alec Garnett  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Steve Fenberg  
PRESIDENT OF  
THE SENATE



Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES



Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED June 8, 2022 at 11:59am  
(Date and Time)



Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO