

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1050.01 Kate Meyer x4348

HOUSE BILL 16-1371

HOUSE SPONSORSHIP

Kagan, Arndt, Court, Danielson, Duran, Esgar, Fields, Garnett, Hullinghorst, Kraft-Tharp, Lebsock, Lee, McCann, Melton, Mitsch Bush, Pettersen, Primavera, Rosenthal, Ryden, Salazar, Tyler, Williams, Winter, Young

SENATE SPONSORSHIP

Kefalas,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE OPPORTUNITY FOR A TAXPAYER TO SPECIFY**
102 **MULTIPLE METHODS BY WHICH TO RECEIVE AN INCOME TAX**
103 **REFUND.**

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://www.leg.state.co.us/bills summaries>.)

Currently, a taxpayer may opt to receive his or her income tax refund in the form of a check, or may elect to have his or her income tax refund directly deposited into one of the following: A savings account, a checking account, or a college savings account administered by colleginvest, a division of the Colorado department of higher education.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

The bill requires the department of revenue to provide a taxpayer the opportunity to apportion his or her income tax refund among up to 4 such methods; except that collegeinvest savings account refund deposits must be at least \$25, and also the department of revenue retains the right to issue refunds in a manner it deems the most administratively efficient.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-628, **amend**
3 (2) as follows:

4 **39-22-628. Direct deposit of refund to collegeinvest savings**
5 **accounts - modification of individual income tax return forms -**
6 **legislative declaration - definition.** (2) ~~(a)~~ For Colorado state individual
7 income tax return forms used for tax years beginning on and after ~~January~~
8 ~~1, 2013~~ JANUARY 1, 2016, each such form must allow an individual
9 taxpayer who is owed a refund the option of making a direct deposit to a
10 ONE OR MORE collegeinvest savings ~~account~~ ACCOUNTS, PROVIDED THAT
11 EACH SUCH DIRECT DEPOSIT IS AT LEAST TWENTY-FIVE DOLLARS.

12 ~~(b) Each form must permit the direct deposit to only a single~~
13 ~~collegeinvest savings account.~~

14 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-629 as
15 follows:

16 **39-22-629. Receipt of refund via multiple methods -**
17 **modification of individual income tax return form - legislative**
18 **declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES,
19 AND DECLARES THAT IT IS IN THE BEST INTEREST OF COLORADO
20 TAXPAYERS TO MAKE IT EASIER FOR THEM TO SAVE ALL OR A PORTION OF
21 THEIR STATE INCOME TAX REFUNDS IN THE WAYS THEY SEE FIT BY
22 PROVIDING THEM THE OPPORTUNITY TO DESIGNATE, ON THE COLORADO
23 STATE INDIVIDUAL INCOME TAX RETURN FORM, MULTIPLE METHODS BY

1 WHICH THEY RECEIVE SUCH REFUNDS. THE GENERAL ASSEMBLY FURTHER
2 DECLARES THAT NOTHING IN THIS SECTION IS INTENDED TO AFFECT THE
3 DEPARTMENT OF REVENUE'S DUTY OR ABILITY TO TAKE ACTION TO
4 MAINTAIN THE INTEGRITY OF THE INCOME TAX REFUND PROCESS.

5 (2) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2016,
6 THE DEPARTMENT OF REVENUE SHALL PROVIDE AN INDIVIDUAL TAXPAYER
7 WHO IS OWED A REFUND THE OPPORTUNITY TO DIVIDE THE REFUND AMONG
8 UP TO FOUR OF THE FOLLOWING:

- 9 (a) A CHECK;
- 10 (b) DIRECT DEPOSIT INTO ONE OR MORE SAVINGS ACCOUNTS;
- 11 (c) DIRECT DEPOSIT TO ONE OR MORE CHECKING ACCOUNTS; AND
- 12 (d) DIRECT DEPOSIT TO ONE OR MORE COLLEGEINVEST SAVINGS
13 ACCOUNTS, IN ACCORDANCE WITH SECTION 39-22-628.

14 (3) THE DEPARTMENT OF REVENUE MAY MODIFY THE STATE
15 INDIVIDUAL INCOME TAX RETURN FORM AS NECESSARY TO ENABLE AN
16 INDIVIDUAL TAXPAYER TO DESIGNATE THE METHODS BY WHICH HIS OR HER
17 REFUND SHOULD BE PROVIDED, PURSUANT TO SUBSECTION (2) OF THIS
18 SECTION.

19 (4) NOTWITHSTANDING ANY ALLOWANCE FOR A TAXPAYER TO
20 DESIGNATE A METHOD OR MULTIPLE METHODS OF REFUND, IF FOR ANY
21 REASON THE AMOUNT OF A REFUND IS NOT THE AMOUNT SHOWN ON THE
22 TAXPAYER'S RETURN, OR IN ORDER TO PROTECT THE INTEGRITY OF THE
23 INCOME TAX REFUND PROCESS OR OTHERWISE TO ADMINISTER THE INCOME
24 TAX, THE DEPARTMENT OF REVENUE MAY ISSUE A TAXPAYER'S REFUND IN
25 THE MANNER THAT IT REASONABLY DEEMS TO BE MOST
26 ADMINISTRATIVELY EFFICIENT.

27 **SECTION 3. 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 (August
3 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
4 referendum petition is filed pursuant to section 1 (3) of article V of the
5 state constitution against this act or an item, section, or part of this act
6 within such period, then the act, item, section, or part will not take effect
7 unless approved by the people at the general election to be held in
8 November 2016 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor.