

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0631.01 Ed DeCecco x4216

HOUSE BILL 18-1060

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HOUSE SPONSORSHIP

**Danielson and Landgraf**, Becker J., Lundeen, McKean, Rankin, Reyher, Thurlow,  
Williams D., Wilson, Wist

SENATE SPONSORSHIP

Crowder,

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House Committees

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A BILL FOR AN ACT

101 CONCERNING A STATE INCOME TAX DEDUCTION FOR MILITARY  
102 RETIREMENT BENEFITS FOR AN INDIVIDUAL WHO IS UNDER  
103 FIFTY-FIVE YEARS OF AGE.

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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>.)*

The starting point for determining state income tax liability is federal taxable income. This number is adjusted for additions and subtractions (deductions) that are used to determine Colorado taxable income, which amount is multiplied by the state's 4.63% income tax rate. The bill allows an individual who is under 55 years old to claim a

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

deduction of up to \$20,000 for the individual's military retirement benefits.

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

2           **SECTION 1. Legislative declaration.** The general assembly  
3 hereby finds and declares that the purpose of the tax deduction created by  
4 this act is to honor the sacrifice and service of veterans and to create an  
5 incentive for more veterans to make their post-military homes in the state.

6           **SECTION 2.** In Colorado Revised Statutes, 39-22-104, **add**  
7 (4)(y) as follows:

8           **39-22-104. Income tax imposed on individuals, estates, and**  
9 **trusts - single rate - legislative declaration - definitions - repeal.**

10 (4) There shall be subtracted from federal taxable income:

11           (y) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
12 1, 2019, FOR AN INDIVIDUAL WHO IS UNDER FIFTY-FIVE YEARS OF AGE AT  
13 THE CLOSE OF THE TAXABLE YEAR, AN AMOUNT EQUAL TO THE  
14 INDIVIDUAL'S MILITARY RETIREMENT BENEFITS INCLUDED IN FEDERAL  
15 ADJUSTED GROSS INCOME, BUT NOT TO EXCEED TWENTY THOUSAND  
16 DOLLARS IN A TAXABLE YEAR. AS USED IN THIS SUBSECTION (4)(y),  
17 "MILITARY RETIREMENT BENEFITS" MEANS ANY RETIREMENT BENEFITS  
18 RECEIVED AS A RESULT OF THE INDIVIDUAL'S SERVICE IN THE ARMED  
19 FORCES OF THE UNITED STATES.

20           **SECTION 3. Act subject to petition - effective date.** This act  
21 takes effect at 12:01 a.m. on the day following the expiration of the  
22 ninety-day period after final adjournment of the general assembly (August  
23 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
24 referendum petition is filed pursuant to section 1 (3) of article V of the  
25 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect  
2 unless approved by the people at the general election to be held in  
3 November 2018 and, in such case, will take effect on the date of the  
4 official declaration of the vote thereon by the governor.