

**Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

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**

Finance  
Appropriations

**Senate 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) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
12 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, FOR AN INDIVIDUAL  
13 WHO IS UNDER FIFTY-FIVE YEARS OF AGE AT THE CLOSE OF THE TAXABLE  
14 YEAR, AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF THE INDIVIDUAL'S  
15 MILITARY RETIREMENT BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS  
16 INCOME OR TWENTY THOUSAND DOLLARS, WHICHEVER IS LESS.

17           (II) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
18 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FOR AN INDIVIDUAL WHO IS  
19 UNDER FIFTY-FIVE YEARS OF AGE AT THE CLOSE OF THE TAXABLE YEAR, AN  
20 AMOUNT EQUAL TO FIFTY PERCENT OF THE INDIVIDUAL'S MILITARY  
21 RETIREMENT BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS INCOME OR  
22 TWENTY THOUSAND DOLLARS, WHICHEVER IS LESS.

23           (III) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
24 1, 2021, FOR AN INDIVIDUAL WHO IS UNDER FIFTY-FIVE YEARS OF AGE AT  
25 THE CLOSE OF THE TAXABLE YEAR, AN AMOUNT EQUAL TO THE

1 INDIVIDUAL'S MILITARY RETIREMENT BENEFITS INCLUDED IN FEDERAL  
2 ADJUSTED GROSS INCOME OR TWENTY THOUSAND DOLLARS, WHICHEVER  
3 IS LESS.

4 (IV) AS USED IN THIS SUBSECTION (4)(y), "MILITARY RETIREMENT  
5 BENEFITS" MEANS ANY RETIREMENT BENEFITS RECEIVED AS A RESULT OF  
6 THE INDIVIDUAL'S SERVICE IN THE ARMED FORCES OF THE UNITED STATES.

7 **SECTION 3. Act subject to petition - effective date.** This act  
8 takes effect at 12:01 a.m. on the day following the expiration of the  
9 ninety-day period after final adjournment of the general assembly (August  
10 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
11 referendum petition is filed pursuant to section 1 (3) of article V of the  
12 state constitution against this act or an item, section, or part of this act  
13 within such period, then the act, item, section, or part will not take effect  
14 unless approved by the people at the general election to be held in  
15 November 2018 and, in such case, will take effect on the date of the  
16 official declaration of the vote thereon by the governor.