

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 18-0600.02 Esther van Mourik x4215

HOUSE BILL 18-1217

HOUSE SPONSORSHIP

Van Winkle and Garnett,

SENATE SPONSORSHIP

Gardner,

House Committees

Education
Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING A TEMPORARY INCOME TAX CREDIT FOR EMPLOYERS**
102 **THAT MAKE CONTRIBUTIONS TO 529 QUALIFIED STATE TUITION**
103 **PROGRAM ACCOUNTS OWNED BY THEIR EMPLOYEES, AND, IN**
104 **CONNECTION THEREWITH, ENACTING THE "WORKING FAMILIES**
105 **COLLEGE SAVINGS ACT".**

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 bill creates a temporary income tax credit for employers that make contributions to 529 qualified state tuition program accounts owned

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.

SENATE
2nd Reading Unamended
May 3, 2018

HOUSE
3rd Reading Unamended
April 20, 2018

HOUSE
Amended 2nd Reading
April 19, 2018

by their employees.

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

2 **SECTION 1. Short title.** The short title of this act is the
3 "Working Families College Savings Act".

4 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-539 as
5 follows:

6 **39-22-539. Credit for employer contributions to employee 529**
7 **qualified state tuition programs - legislative declaration - definitions**

8 **- repeal.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
9 THAT THE QUALIFIED STATE TUITION SAVINGS PROGRAM ADMINISTERED BY
10 COLLEGEINVEST HELPS EMPOWER FAMILIES TO SAVE FOR HIGHER
11 EDUCATION AND ENABLES RESIDENTS TO FURTHER EDUCATIONAL
12 OPPORTUNITIES AND PURSUE PROFESSIONAL GOALS. THE PURPOSE OF THIS
13 SECTION IS TO PROVIDE AN INCENTIVE FOR EMPLOYERS TO HELP THEIR
14 EMPLOYEES ENHANCE EDUCATION SAVINGS GOALS BY CONTRIBUTING
15 DIRECTLY TO THE EMPLOYEES' QUALIFIED STATE TUITION PROGRAM
16 ACCOUNTS ADMINISTERED BY COLLEGEINVEST.

17 (2) AS USED IN THIS SECTION:

18 (a) "529 QUALIFIED STATE TUITION PROGRAM ACCOUNT" MEANS A
19 QUALIFIED STATE TUITION PROGRAM ACCOUNT ESTABLISHED BY
20 COLLEGEINVEST CREATED IN SECTION 23-3.1-203.

21 (b) "EMPLOYEE" MEANS ANY PERSON IN THE EMPLOYMENT OF AN
22 EMPLOYER FOR A SALARY OR FOR HOURLY WAGES, WHETHER FULL-TIME
23 OR PART-TIME AND WHETHER TEMPORARY OR PERMANENT.

24 (c) "EMPLOYER" MEANS ANY PERSON DOING BUSINESS IN THE
25 STATE.

1 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
2 1, 2019, BUT PRIOR TO JANUARY 1, 2022, IF AN EMPLOYER MAKES A
3 CONTRIBUTION OF MONEY TO A 529 QUALIFIED STATE TUITION PROGRAM
4 ACCOUNT OWNED BY AN EMPLOYEE DURING THE INCOME TAX YEAR,
5 WITHOUT REGARD TO THE NAMED BENEFICIARY OF THE ACCOUNT, THEN
6 THE EMPLOYER IS ALLOWED A CREDIT AGAINST THE INCOME TAXES
7 IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO TWENTY PERCENT
8 OF THE CONTRIBUTION. THE MAXIMUM TOTAL CREDIT AN EMPLOYER MAY
9 CLAIM UNDER THIS SECTION FOR EACH EMPLOYEE IN A TAXABLE YEAR IS
10 FIVE HUNDRED DOLLARS.

11 (4) IF THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION
12 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
13 EMPLOYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS
14 BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET
15 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE
16 CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT YEARS'
17 INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED THREE YEARS AND
18 MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
19 ANY CREDIT REMAINING AFTER THE PERIOD MAY NOT BE REFUNDED OR
20 CREDITED TO THE EMPLOYER.

21 (5) NO LATER THAN JANUARY 1, 2019, AND QUARTERLY
22 THEREAFTER, COLLEGEINVEST SHALL PROVIDE THE DEPARTMENT WITH AN
23 ELECTRONIC REPORT CONTAINING INFORMATION FOR 529 QUALIFIED STATE
24 TUITION PROGRAM ACCOUNT HOLDERS, BENEFICIARIES, AND DONORS THAT
25 THE DEPARTMENT DETERMINES IS NECESSARY FOR THE ADMINISTRATION
26 OF THE CREDIT ALLOWED IN THIS SECTION. THE REPORT MUST INCLUDE,
27 BUT IS NOT LIMITED TO:

1 (a) THE NAME AND SOCIAL SECURITY NUMBER OF THE ACCOUNT
2 HOLDER OF EACH 529 QUALIFIED STATE TUITION PROGRAM ACCOUNT;

3 (b) THE NAME, DATE OF BIRTH, AND SOCIAL SECURITY NUMBER OF
4 THE BENEFICIARY OF EACH 529 QUALIFIED STATE TUITION PROGRAM
5 ACCOUNT; AND

6 (c) CONTRIBUTION DATA THAT CONTAINS THE:

7 (I) AMOUNT OF EACH CONTRIBUTION;

8 (II) DATE OF EACH CONTRIBUTION; AND

9 (III) SOURCE OF EACH CONTRIBUTION, INCLUDING THE SOCIAL
10 SECURITY NUMBER OR FEDERAL EMPLOYEE IDENTIFICATION NUMBER OF
11 THE CONTRIBUTOR.

12 (6) THE DEPARTMENT OF REVENUE MAY SEEK, ACCEPT, AND
13 EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES
14 FOR THE DEPARTMENT'S COSTS IN ADMINISTERING THE INCOME TAX CREDIT
15 ALLOWED IN THIS SECTION. THE DEPARTMENT MAY EXPEND MONEY
16 RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS CONSISTENT WITH
17 ANY TERMS AND CONDITIONS IMPOSED AS A CONDITION OF RECEIVING
18 SUCH MONEY FOR ADMINISTERING THE INCOME TAX CREDIT ALLOWED IN
19 THIS SECTION WITHIN EXISTING APPROPRIATIONS; EXCEPT THAT,
20 NOTWITHSTANDING PART 13 OF ARTICLE 75 OF TITLE 24, THE GENERAL
21 ASSEMBLY MAY APPROPRIATE STATE FUNDS TO THE DEPARTMENT IN THE
22 FUTURE TO ADMINISTER THE INCOME TAX CREDIT ALLOWED IN THIS
23 SECTION.

24 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2024.

25 **SECTION 3. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2018 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.