

CHAPTER 271

TAXATION

HOUSE BILL 18-1060

BY REPRESENTATIVE(S) Danielson and Landgraf, Becker J., Lundeen, McKean, Rankin, Reyher, Thurlow, Williams D., Wilson, Wist, Arndt, Bridges, Buckner, Carver, Catlin, Coleman, Covarrubias, Esgar, Exum, Foote, Garnett, Ginal, Gray, Herod, Hooton, Jackson, Kennedy, Kraft-Tharp, Lee, Liston, Lontine, McLachlan, Melton, Michaelson Jenet, Pabon, Pettersen, Roberts, Rosenthal, Salazar, Sias, Singer, Valdez, Winkler, Winter, Young, Duran, Hamner, Lawrence, Leonard, Ransom, Van Winkle, Weissman, Willett;
also SENATOR(S) Crowder and Williams A., Cooke, Coram, Gardner, Hill, Kefalas, Lundberg, Martinez Humenik, Moreno, Priola, Sonnenberg, Tate, Todd, Grantham.

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

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

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

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

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal. (4) There shall be subtracted from federal taxable income:

(y)(I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2024, AN AMOUNT EQUAL TO A QUALIFIED INDIVIDUAL'S MILITARY RETIREMENT BENEFITS INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, BUT NOT TO EXCEED THE FOLLOWING AMOUNTS:

(A) FOUR THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020;

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

(B) SEVEN THOUSAND FIVE HUNDRED DOLLARS FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021;

(C) TEN THOUSAND DOLLARS FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2021, BUT BEFORE JANUARY 1, 2022; OR

(D) FIFTEEN THOUSAND DOLLARS FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, BUT BEFORE JANUARY 1, 2024.

(II) AS USED IN THIS SUBSECTION (4)(y):

(A) "MILITARY RETIREMENT BENEFITS" MEANS ANY RETIREMENT BENEFITS RECEIVED AS A RESULT OF THE INDIVIDUAL'S SERVICE IN THE ARMED FORCES OF THE UNITED STATES.

(B) "QUALIFIED INDIVIDUAL" MEANS AN INDIVIDUAL WHO IS UNDER FIFTY-FIVE YEARS OF AGE AT THE CLOSE OF THE TAXABLE YEAR.

SECTION 3. 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 (August 8, 2018, if adjournment sine die is on May 9, 2018); 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 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 29, 2018