

CHAPTER 345

TAXATION

HOUSE BILL 18-1267

BY REPRESENTATIVE(S) Gray and McKean, Bridges, Buckner, Garnett, Ginal, Hansen, Hooton, Jackson, Kennedy, Kraft-Tharp, Lontine, Rosenthal, Salazar, Young;
also SENATOR(S) Tate, Aguilar, Crowder, Guzman, Jones, Kefalas, Kerr, Lambert, Martinez Humenik, Merrifield, Neville T., Todd, Grantham.

AN ACT

CONCERNING AN INCOME TAX CREDIT FOR RETROFITTING A RESIDENCE TO INCREASE THE RESIDENCE'S VISITABILITY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 39-22-541 as follows:

39-22-541. Credit for retrofitting a residence to increase a residence's visitability - legislative declaration - definitions - repeal. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE INTENDED PURPOSE OF THE TAX CREDIT CREATED IN THIS SECTION IS TO MAKE RETROFITTING A RESIDENCE FOR HEALTH, WELFARE, AND SAFETY REASONS MORE AFFORDABLE.

(2) AS USED IN THIS SECTION:

(a) "DEPENDENT" HAS THE SAME MEANING AS IN SECTION 152 (a) OF THE INTERNAL REVENUE CODE.

(b) "DIVISION OF HOUSING" MEANS THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704.

(c) "QUALIFIED INDIVIDUAL" MEANS AN INDIVIDUAL WITH A FAMILY INCOME AT OR BELOW ONE HUNDRED FIFTY THOUSAND DOLLARS FOR THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2019, AND AS ADJUSTED FOR INFLATION FOR EACH INCOME TAX YEAR THEREAFTER.

(d) "RETROFIT" MEANS CHANGES MADE TO A RESIDENCE THAT MUST:

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.

(I) BE NECESSARY TO ENSURE THE HEALTH, WELFARE, AND SAFETY OF A QUALIFIED INDIVIDUAL;

(II) INCREASE THE RESIDENCE'S VISITABILITY;

(III) ENABLE GREATER ACCESSIBILITY AND INDEPENDENCE IN THE RESIDENCE FOR A QUALIFIED INDIVIDUAL;

(IV) BE REQUIRED DUE TO A QUALIFIED INDIVIDUAL'S ILLNESS, IMPAIRMENT, OR DISABILITY; AND

(V) ALLOW A QUALIFIED INDIVIDUAL TO AGE IN PLACE.

(e) "VISITABILITY" MEANS A MEASURE OF A RESIDENCE'S EASE OF ACCESS FOR PERSONS WITH DISABILITIES.

(3) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (3)(b)(III) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2024, AN INDIVIDUAL WHO RETROFITS OR HIRES SOMEONE TO RETROFIT THE INDIVIDUAL'S RESIDENCE AND WHO MEETS ANY ADDITIONAL REQUIREMENTS ESTABLISHED BY THE DIVISION OF HOUSING IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO THE COST OF THE RETROFIT OR FIVE THOUSAND DOLLARS, WHICHEVER IS LESS.

(II) THE DIVISION OF HOUSING SHALL CONSULT WITH STAKEHOLDERS IN ESTABLISHING ANY ADDITIONAL REQUIREMENTS FOR THE INCOME TAX CREDIT AS REQUIRED IN SUBSECTION (3)(a)(I) OF THIS SECTION.

(b) (I) THE DIVISION OF HOUSING IS RESPONSIBLE FOR ISSUING CREDIT CERTIFICATES TO QUALIFIED INDIVIDUALS. THE CREDIT CERTIFICATE MUST IDENTIFY THE TAXPAYER AND CERTIFY THAT THE INDIVIDUAL MEETS THE REQUIREMENTS SET FORTH IN THIS SECTION.

(II) TO CLAIM THE CREDIT UNDER THIS SECTION, THE INDIVIDUAL MUST INCLUDE THE CREDIT CERTIFICATE WITH THE INCOME TAX RETURN FILED WITH THE DEPARTMENT OF REVENUE.

(III) THE DIVISION OF HOUSING SHALL TRACK ALL THE CREDIT CERTIFICATES ISSUED UNDER THIS SECTION IN EACH INCOME TAX YEAR AND, WHEN THE TOTAL AMOUNT OF CREDIT CERTIFICATES ISSUED EQUALS ONE MILLION DOLLARS PER INCOME TAX YEAR, SHALL CEASE ISSUING CREDIT CERTIFICATES IN THAT INCOME TAX YEAR. UNTIL THE ONE MILLION DOLLAR PER INCOME TAX YEAR CAP IS REACHED, THE CREDIT CERTIFICATES SHALL BE ISSUED IN THE ORDER IN WHICH THEY ARE REQUESTED.

(4) IF THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INDIVIDUAL'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT

YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED FIVE YEARS AND MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY CREDIT REMAINING AFTER THE PERIOD MAY NOT BE REFUNDED OR CREDITED TO THE INDIVIDUAL.

(5) NO LATER THAN JANUARY 1, 2020, AND NO LATER THAN JANUARY 1 OF EACH YEAR THEREAFTER THROUGH JANUARY 1, 2024, THE DIVISION OF HOUSING SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH AN ELECTRONIC REPORT OF THE TAXPAYERS RECEIVING A CREDIT CERTIFICATE AS ALLOWED IN THIS SECTION FOR THE PREVIOUS CALENDAR YEAR THAT INCLUDES THE FOLLOWING INFORMATION:

(a) EACH TAXPAYER'S NAME;

(b) EACH TAXPAYER'S SOCIAL SECURITY NUMBER OR FEDERAL EMPLOYEE IDENTIFICATION NUMBER; AND

(c) THE AMOUNT OF THE CREDIT ALLOCATED.

(6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

SECTION 2. Appropriation. (1) For the 2018-19 state fiscal year, \$132,328 is appropriated to the department of local affairs. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$55,496 for use by the division of housing for personal services related to community and non-profit services, which amount is based on an assumption that the division will require an additional 1.0 FTE;

(b) \$11,324 for use by the division of housing for operating expenses; and

(c) \$65,508 for the purchase of information technology services.

(2) For the 2018-19 state fiscal year, \$65,508 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs under subsection (1)(c) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.

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 30, 2018