

First Extraordinary Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20B-0039.01 Esther van Mourik x4215

HOUSE BILL 20B-1021

HOUSE SPONSORSHIP

Saine, Humphrey, Ransom, Van Winkle, Williams D.

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REPEAL OF CERTAIN PORTIONS OF HOUSE BILL
102 20-1420, ENACTED AT THE SECOND REGULAR SESSION OF THE
103 SEVENTY-SECOND GENERAL ASSEMBLY.

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 repeals the earned income tax credit available for income tax years commencing on or after January 1, 2021, for taxpayers filing with an individual taxpayer identification number.

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.

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 many of our extreme economic challenges
4 have been exacerbated by government mandates. Therefore, the general
5 assembly is obliged to ensure that affected citizens, including vulnerable
6 populations and minorities, must have access to lawful help. We are in an
7 economic downturn in our state and resources are limited and cuts
8 continue to be made. Allowing an earned income tax credit for taxpayers
9 filing with an individual taxpayer identification number adds an
10 administrative burden to state resources, circumvents the federal tax code,
11 and reduces benefits to citizens eligible under the federal tax code who
12 have taken a personal risk to start a business as well as eligible citizens
13 who rely on Colorado jobs to feed their families.

14 **SECTION 2.** In Colorado Revised Statutes, 39-22-123.5, **repeal**
15 (2.5) as follows:

16 **39-22-123.5. Earned income tax credit - not a refund of excess**
17 **state revenues - trigger - legislative declaration.** (2.5) ~~(a) For income~~
18 ~~tax years commencing on or after January 1, 2021, but before January 1,~~
19 ~~2022, a resident individual is allowed an earned income tax credit against~~
20 ~~the taxes due under this article 22 that is equal to ten percent of the~~
21 ~~federal credit that the resident individual would have been allowed, but~~
22 ~~for the fact that the resident individual, the resident individual's spouse,~~
23 ~~or one or more of the resident individual's dependents do not have a social~~
24 ~~security number that is valid for employment.~~

25 ~~(b) For income tax years commencing on or after January 1, 2022,~~
26 ~~a resident individual is allowed an earned income tax credit against the~~
27 ~~taxes due under this article 22 that is equal to fifteen percent of the~~

1 federal credit that the taxpayer would have been allowed, but for the fact
2 that the resident individual, the resident individual's spouse, or one or
3 more of the resident individual's dependents do not have a social security
4 number that is valid for employment.

5 (c) For purposes of this subsection (2.5), a "resident individual"
6 includes a taxpayer filing with an individual taxpayer identification
7 number.

8 **SECTION 3. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly; except
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V
12 of the state constitution against this act or an item, section, or part of this
13 act within such period, then the act, item, section, or part will not take
14 effect unless approved by the people at the general election to be held in
15 November 2022 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.