

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0392.01 Pierce Lively x2059

HOUSE BILL 22-1121

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HOUSE SPONSORSHIP

Cutter,

SENATE SPONSORSHIP

(None),

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House Committees  
Business Affairs & Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING SUPPORTING LOCAL MEDIA.

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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 bill requires all state departments to spend at least 50% of the money they spend on advertising to Colorado residents in a fiscal year on advertising through local newspapers. The bill further requires all departments to report on their advertising spending during their annual "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" presentations.

The bill also creates an income tax credit for supporting local newspapers. For income tax years beginning on or after January 1, 2023,

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.

but before January 1, 2033:

- A taxpayer is allowed a credit against their income taxes in an amount equal to 50%, not to exceed \$250, of the total amount paid by the taxpayer for local newspaper subscriptions or memberships for the personal use of the taxpayer and of the contributions made by the taxpayer to nonprofit local newspapers; and
- A small business is allowed a credit against their income taxes, not to exceed \$2,500, in an amount equal to the amount paid by the eligible small business for local newspaper advertising.

If the amount of the credit allowed exceeds the amount of income taxes otherwise due in the income tax year for which the credit is being claimed, the bill permits the amount of the credit not used in the income tax year to be carried forward as a credit against subsequent years' income tax liability for a period not to exceed 10 years. Any amount of the credit that is not used after such period is not refunded to the taxpayer.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4 (a) Local news media is an important source of unbiased  
5 information for communities to learn about the actions of their state and  
6 local governments;

7 (b) In many communities, local news media is the only available  
8 source of reliable information, but local news media organizations are  
9 closing across the country;

10 (c) Local news media advertising reaches communities in a more  
11 meaningful way than other advertising options such as social media  
12 advertising, which often excludes groups due to their demographics,  
13 socioeconomic status, or personal choice;

14 (d) Multiple studies show that local news media is a trusted source  
15 of information, while large social media platforms are increasingly seen  
16 as spreading misinformation;

1 (e) State departments have a need to communicate directly with  
2 residents across the state, a need that advertising in local news media can  
3 meet;

4 (f) Advertising in local news media provides revenue for local  
5 news media and so strengthens American democracy by supporting local  
6 news media, the public's watchdog organizations; and

7 (g) Accordingly, purchasing advertising from local news media  
8 allows state departments to communicate with communities across the  
9 state and strengthens American democracy.

10 **SECTION 2.** In Colorado Revised Statutes, **add** article 1.3 to title  
11 24 as follows:

12 **ARTICLE 1.3**

13 **Local Newspaper Advertising**

14 **By State Departments**

15 **24-1.3-101. Local newspaper advertising by state departments**  
16 **- advertising spending requirement - waiver - reporting - definitions.**

17 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
18 REQUIRES:

19 (a) "ADVERTISING" MEANS PROVIDING CONSIDERATION FOR THE  
20 PUBLICATION, DISSEMINATION, SOLICITATION, OR CIRCULATION OF VISUAL,  
21 ORAL, OR WRITTEN COMMUNICATION TO EITHER:

22 (I) DIRECTLY INDUCE ANY PERSON TO UTILIZE OR PARTICIPATE IN  
23 A SERVICE OFFERED BY A PRINCIPAL DEPARTMENT; OR

24 (II) MAKE ANY PERSON AWARE OF INFORMATION RELEVANT TO A  
25 PRINCIPAL DEPARTMENT.

26 (b) "LOCAL NEWSPAPER" MEANS A PRINT OR DIGITAL PUBLICATION  
27 THAT:

1 (I) PRIMARILY SERVES THE NEEDS OF THE STATE OF COLORADO OR  
2 A REGIONAL OR LOCAL COMMUNITY WITHIN COLORADO;

3 (II) PRIMARILY HAS CONTENT DERIVED FROM PRIMARY SOURCES  
4 RELATING TO NEWS AND CURRENT EVENTS; AND

5 (III) EMPLOYS AT LEAST ONE JOURNALIST WHO RESIDES IN  
6 COLORADO AND WHO REGULARLY GATHERS, COLLECTS, PHOTOGRAPHS,  
7 RECORDS, WRITES, OR REPORTS NEWS OR INFORMATION THAT CONCERNS  
8 LOCAL EVENTS OR OTHER MATTERS OF LOCAL PUBLIC INTEREST.

9 (c) "PRINCIPAL DEPARTMENT" MEANS A DEPARTMENT OF STATE  
10 GOVERNMENT AS SPECIFIED IN SECTION 24-1-110.

11 (2) BEGINNING JULY 1, 2023, A PRINCIPAL DEPARTMENT SHALL  
12 SPEND AT LEAST FIFTY PERCENT OF THE MONEY IT SPENDS ON  
13 ADVERTISING IN COLORADO IN A FISCAL YEAR ON ADVERTISING THROUGH  
14 LOCAL NEWSPAPERS. ADVERTISING PRIMARILY TARGETED AT  
15 OUT-OF-STATE RESIDENTS IS NOT SUBJECT TO THIS REQUIREMENT.

16 (3) EACH PRINCIPAL DEPARTMENT SHALL, AS PART OF ITS  
17 DEPARTMENTAL PRESENTATION TO ITS LEGISLATIVE OVERSIGHT  
18 COMMITTEE OF REFERENCE MADE PURSUANT TO SECTION 2-7-203 OF THE  
19 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND  
20 TRANSPARENT (SMART) GOVERNMENT ACT", INCLUDE A DESCRIPTION  
21 OF THE DEPARTMENT'S ADVERTISING SPENDING, IF ANY, AND WHAT  
22 PERCENTAGE OF THAT SPENDING WAS ALLOCATED TO ADVERTISING IN  
23 LOCAL NEWSPAPERS.

24 **SECTION 3.** In Colorado Revised Statutes, **add** 39-22-543 as  
25 follows:

26 **39-22-543. Tax credit for supporting local newspapers -**  
27 **legislative declaration - definitions - repeal.** (1) IN ACCORDANCE WITH

1 SECTION 39-21-304(1), WHICH REQUIRES EACH BILL THAT CREATES A NEW  
2 TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE  
3 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE  
4 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

5 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDITS  
6 ALLOWED BY THIS SECTION ARE:

7 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,  
8 SPECIFICALLY PURCHASING LOCAL NEWSPAPER SUBSCRIPTIONS OR  
9 MEMBERSHIPS, PURCHASING ADVERTISING IN LOCAL NEWSPAPERS, AND  
10 MAKING CONTRIBUTIONS TO NONPROFIT LOCAL NEWSPAPERS; AND

11 (II) TO PROVIDE TAX RELIEF TO TAXPAYERS WHO PURCHASE LOCAL  
12 NEWSPAPER SUBSCRIPTIONS OR MEMBERSHIPS, PURCHASE ADVERTISING IN  
13 LOCAL NEWSPAPERS, OR MAKE CONTRIBUTIONS TO NONPROFIT LOCAL  
14 NEWSPAPERS.

15 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDITS  
16 ALLOWED BY THIS SECTION IS TO SUPPORT LOCAL NEWSPAPERS BY  
17 ENCOURAGING TAXPAYERS TO PURCHASE LOCAL NEWSPAPER  
18 SUBSCRIPTIONS OR MEMBERSHIPS, PURCHASE ADVERTISING IN LOCAL  
19 NEWSPAPERS, AND MAKE CONTRIBUTIONS TO NONPROFIT LOCAL  
20 NEWSPAPERS. IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE  
21 STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CREDITS, THE  
22 DEPARTMENT OF REVENUE SHALL REQUIRE EACH TAXPAYER WHO CLAIMS  
23 THE CREDIT TO SUBMIT A CERTIFICATION FORM VERIFYING THAT THEY  
24 QUALIFY FOR THE CREDIT AND IDENTIFYING THE LOCAL NEWSPAPER THEY  
25 PURCHASED A SUBSCRIPTION OR MEMBERSHIP FROM, MADE A  
26 CONTRIBUTION TO, OR PURCHASED ADVERTISING FROM.

27 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES:

2 (a) "ADVERTISING" MEANS PROVIDING CONSIDERATION FOR THE  
3 PUBLICATION, DISSEMINATION, SOLICITATION, OR CIRCULATION OF VISUAL,  
4 ORAL, OR WRITTEN COMMUNICATION TO DIRECTLY INDUCE ANY PERSON TO  
5 PURCHASE A GOOD OR SERVICE.

6 (b) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS WITH FEWER  
7 THAN FIFTY EMPLOYEES.

8 (c) "LOCAL NEWSPAPER" MEANS A PRINT OR DIGITAL PUBLICATION  
9 THAT:

10 (I) PRIMARILY SERVES THE NEEDS OF THE STATE OF COLORADO OR  
11 A REGIONAL OR LOCAL COMMUNITY WITHIN COLORADO;

12 (II) PRIMARILY HAS CONTENT DERIVED FROM PRIMARY SOURCES  
13 RELATING TO NEWS AND CURRENT EVENTS; AND

14 (III) EMPLOYS AT LEAST ONE JOURNALIST WHO RESIDES IN  
15 COLORADO AND WHO REGULARLY GATHERS, COLLECTS, PHOTOGRAPHS,  
16 RECORDS, WRITES, OR REPORTS NEWS OR INFORMATION THAT CONCERNS  
17 LOCAL EVENTS OR OTHER MATTERS OF LOCAL PUBLIC INTEREST.

18 (d) "NONPROFIT LOCAL NEWSPAPER" MEANS ANY LOCAL  
19 NEWSPAPER THAT IS EXEMPT FROM THE INCOME TAX IMPOSED UNDER THIS  
20 ARTICLE 22.

21 (3) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1,  
22 2023, BUT BEFORE JANUARY 1, 2033:

23 (a) A TAXPAYER IS ALLOWED A CREDIT AGAINST THE INCOME  
24 TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY  
25 PERCENT, NOT TO EXCEED TWO HUNDRED FIFTY DOLLARS, OF THE TOTAL  
26 COMBINED AMOUNT:

27 (I) PAID BY THE TAXPAYER FOR LOCAL NEWSPAPER SUBSCRIPTIONS

1 OR MEMBERSHIPS FOR THE PERSONAL USE OF THE TAXPAYER; AND

2 (II) OF THE CONTRIBUTIONS MADE BY THE TAXPAYER TO  
3 NONPROFIT LOCAL NEWSPAPERS.

4 (b) AN ELIGIBLE SMALL BUSINESS IS ALLOWED A CREDIT AGAINST  
5 THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT, NOT TO  
6 EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS, EQUAL TO THE AMOUNT  
7 PAID BY THE ELIGIBLE SMALL BUSINESS TO LOCAL NEWSPAPERS FOR  
8 ADVERTISING IN COLORADO.

9 (4) TO QUALIFY FOR THE CREDIT PROVIDED BY THIS SECTION, A  
10 TAXPAYER SHALL SUBMIT A CERTIFICATION FORM, WHICH MAY BE  
11 PROVIDED BY EACH LOCAL NEWSPAPER THAT THE TAXPAYER PURCHASED  
12 A SUBSCRIPTION OR MEMBERSHIP FROM, MADE A CONTRIBUTION TO, OR  
13 PURCHASED ADVERTISING FROM, WITH THE TAXPAYER'S INCOME TAX  
14 RETURN FORM. A LOCAL NEWSPAPER THAT PROVIDES A CERTIFICATION  
15 FORM MUST CERTIFY THAT THE TAXPAYER HAS SATISFIED THE  
16 REQUIREMENTS FOR ALLOWANCE OF A TAX CREDIT AS SPECIFIED IN THIS  
17 SECTION AND IDENTIFY THE LOCAL NEWSPAPER THAT THE TAXPAYER  
18 PURCHASED A SUBSCRIPTION OR MEMBERSHIP FROM, MADE A  
19 CONTRIBUTION TO, OR PURCHASED ADVERTISING FROM.

20 (5) IF THE AMOUNT OF A CREDIT UNDER THIS SECTION EXCEEDS A  
21 TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME TAX YEAR, THE  
22 AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES  
23 IN THE INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT  
24 AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT  
25 TO EXCEED TEN YEARS AND SHALL BE APPLIED FIRST TO THE EARLIEST  
26 INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT  
27 USED AFTER SUCH PERIOD SHALL NOT BE REFUNDED TO THE TAXPAYER.

1           (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2042.

2           **SECTION 4. Act subject to petition - effective date.** This act  
3 takes effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly; except  
5 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
6 of the state constitution against this act or an item, section, or part of this  
7 act within such period, then the act, item, section, or part will not take  
8 effect unless approved by the people at the general election to be held in  
9 November 2022 and, in such case, will take effect on the date of the  
10 official declaration of the vote thereon by the governor.