

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

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  
Finance

**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 broadcasters and  
9 newspapers are 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 choices;

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; and

1 (e) Advertising in local news media provides revenue for local  
2 news media and so strengthens American democracy by supporting local  
3 news media, the public's watchdog organizations.

4 **SECTION 2.** In Colorado Revised Statutes, add 39-22-543 as  
5 follows:

6 **39-22-543. Tax credit for supporting local broadcasters and**  
7 **newspapers - legislative declaration - definitions - repeal.** (1) IN  
8 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL  
9 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE  
10 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE  
11 DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES  
12 THAT:

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

15 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,  
16 SPECIFICALLY PURCHASING ADVERTISING FROM LOCAL BROADCASTERS  
17 AND IN LOCAL NEWSPAPERS; AND

18 (II) TO PROVIDE TAX RELIEF TO TAXPAYERS WHO PURCHASE  
19 ADVERTISING FROM LOCAL BROADCASTERS AND IN LOCAL NEWSPAPERS.

20 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDITS  
21 ALLOWED BY THIS SECTION IS TO SUPPORT LOCAL BROADCASTERS AND  
22 NEWSPAPERS BY ENCOURAGING TAXPAYERS TO PURCHASE ADVERTISING  
23 FROM LOCAL BROADCASTERS AND IN LOCAL NEWSPAPERS. IN ORDER TO  
24 ALLOW THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO MEASURE  
25 THE EFFECTIVENESS OF THE CREDITS, THE DEPARTMENT OF REVENUE  
26 SHALL REQUIRE EACH TAXPAYER WHO CLAIMS THE CREDIT TO SUBMIT A  
27 CERTIFICATION FORM VERIFYING THAT THEY QUALIFY FOR THE CREDIT

1 AND IDENTIFYING EACH LOCAL BROADCASTER OR NEWSPAPER THAT THEY  
2 PURCHASED ADVERTISING FROM.

3 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
4 REQUIRES:

5 (a) "ADVERTISING" MEANS PROVIDING CONSIDERATION FOR THE  
6 PUBLICATION, DISSEMINATION, SOLICITATION, OR CIRCULATION OF VISUAL,  
7 AURAL, SPOKEN, OR WRITTEN COMMUNICATION TO DIRECTLY OR  
8 INDIRECTLY INDUCE ANY PERSON TO PURCHASE A GOOD OR SERVICE.

9 (b) "DISQUALIFIED ORGANIZATION" MEANS ANY ORGANIZATION:

10 (I) DESCRIBED IN SECTION 501 (c)(4) OF THE INTERNAL REVENUE  
11 CODE AND EXEMPT FROM TAXATION UNDER SECTION 501 (a) OF THE  
12 INTERNAL REVENUE CODE;

13 (II) DESCRIBED IN SECTION 527 OF THE INTERNAL REVENUE CODE;

14 OR

15 (III) OWNED OR CONTROLLED BY ONE OR MORE ORGANIZATIONS  
16 DESCRIBED IN THIS SUBSECTION (2)(b).

17 (c) "ELIGIBLE SMALL BUSINESS" MEANS A BUSINESS WITH FEWER  
18 THAN FIFTY EMPLOYEES.

19 (d) "LOCAL BROADCASTER" MEANS A BROADCAST ENTITY  
20 LICENSED BY THE FEDERAL COMMUNICATIONS COMMISSION THAT:

21 (I) PRIMARILY SERVES THE NEEDS OF THE STATE OF COLORADO OR  
22 A REGIONAL OR LOCAL COMMUNITY WITHIN COLORADO WITH NEWS,  
23 WEATHER, AND EMERGENCY INFORMATION;

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

26 (III) EMPLOYS AT LEAST ONE JOURNALIST WHO RESIDES IN  
27 COLORADO AND WHO REGULARLY GATHERS, COLLECTS, PHOTOGRAPHS,

1 RECORDS, WRITES, OR REPORTS NEWS OR INFORMATION THAT CONCERNS  
2 LOCAL EVENTS OR OTHER MATTERS OF LOCAL PUBLIC INTEREST;

3 (IV) IS COVERED BY MEDIA LIABILITY INSURANCE;

4 (V) DISCLOSES ITS OWNERSHIP TO THE PUBLIC; AND

5 (VI) IS NEITHER A DISQUALIFIED ORGANIZATION NOR AN  
6 ORGANIZATION THAT RECEIVED MORE THAN FIFTY PERCENT OF ITS GROSS  
7 RECEIPTS IN THE PREVIOUS TAX YEAR FROM DISQUALIFIED  
8 ORGANIZATIONS.

9 (e) "LOCAL NEWSPAPER" MEANS A PRINT OR DIGITAL PUBLICATION  
10 THAT:

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

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

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

19 (IV) IS COVERED BY MEDIA LIABILITY INSURANCE;

20 (V) DISCLOSES ITS OWNERSHIP TO THE PUBLIC; AND

21 (VI) IS NEITHER A DISQUALIFIED ORGANIZATION NOR AN  
22 ORGANIZATION THAT RECEIVED MORE THAN FIFTY PERCENT OF ITS GROSS  
23 RECEIPTS IN THE PREVIOUS TAX YEAR FROM DISQUALIFIED  
24 ORGANIZATIONS.

25 (3) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1,  
26 2023, BUT BEFORE JANUARY 1, 2028, AN ELIGIBLE SMALL BUSINESS IS  
27 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS

1 ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY PERCENT, NOT TO EXCEED TWO  
2 THOUSAND FIVE HUNDRED DOLLARS, OF THE TOTAL AMOUNT PAID BY THE  
3 ELIGIBLE SMALL BUSINESS TO A LOCAL BROADCASTER OR NEWSPAPER FOR  
4 ADVERTISING IN COLORADO AND IN CONNECTION WITH A NEWS-RELATED  
5 PORTION OF A BROADCAST OR A NEWS-RELATED PUBLICATION.

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

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

23 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2037.

24 **SECTION 3. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly; except  
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this  
2 act within such period, then the act, item, section, or part will not take  
3 effect unless approved by the people at the general election to be held in  
4 November 2022 and, in such case, will take effect on the date of the  
5 official declaration of the vote thereon by the governor.