

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0019.01 Ed DeCecco x4216

HOUSE BILL 22-1205

HOUSE SPONSORSHIP

Kennedy and Weissman,

SENATE SPONSORSHIP

Hansen and Coleman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN INCOME TAX CREDIT TO HELP
102 INCOME-QUALIFIED SENIORS AFFORD HOUSING.

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>.)

Section 1 of the bill creates a refundable income tax credit (credit) that is available for the income tax year commencing on January 1, 2022, for a qualifying senior, which means an individual who:

- Is 65 years of age or older at the end of 2022;
- Has federal adjusted gross income (AGI) that is less than or equal to \$75,000; and

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.

- Has not claimed a homestead property tax exemption for the 2022 property tax year.

The amount of the credit is \$1,000 for a qualifying senior with federal AGI that is \$25,000 or less. For every \$500 of AGI above \$25,000, the amount of the credit is reduced by \$10.

Section 2 requires the property tax administrator to provide reports from counties related to taxpayers who are eligible for and actually claim the homestead property tax exemption.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-207, **add** (7) as
3 follows:

4 **39-3-207. Reporting of exemptions - reimbursement to local**
5 **governmental entities - repeal.** (7) (a) ON OR BEFORE NOVEMBER 1,
6 2022, THE ADMINISTRATOR SHALL PROVIDE THE DEPARTMENT OF REVENUE
7 WITH A COPY OF EACH REPORT RECEIVED IN ACCORDANCE WITH
8 SUBSECTION (1) OF THIS SECTION FOR THE PROPERTY TAX YEAR
9 COMMENCING ON JANUARY 1, 2022.

10 (b) ON OR BEFORE MARCH 15, 2023, THE ADMINISTRATOR SHALL
11 PROVIDE THE DEPARTMENT OF REVENUE WITH A COPY OF EACH REPORT
12 THAT THE ADMINISTRATOR FORWARDS TO THE STATE TREASURER IN
13 ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FOR THE PROPERTY
14 TAX YEAR COMMENCING ON JANUARY 1, 2022.

15 (c) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2023.

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

18 **39-22-543. Credit against tax - qualifying seniors - creation -**
19 **legislative declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY
20 HEREBY FINDS AND DECLARES THAT:

21 (I) COLORADO'S AFFORDABLE HOUSING SHORTAGE IS HURTING

1 SENIORS, MAKING IT MORE DIFFICULT FOR MANY SENIORS TO AFFORD
2 HOUSING;

3 (II) THE SENIOR PROPERTY TAX EXEMPTION WAS ADOPTED BY
4 COLORADO VOTERS IN 2000 IN ORDER TO HELP SENIORS AFFORD TO STAY
5 IN THEIR HOMES;

6 (III) MANY SENIORS ARE INELIGIBLE FOR THE SENIOR PROPERTY
7 TAX EXEMPTION BECAUSE THEY HAVE OWNED THEIR HOME FOR FEWER
8 THAN TEN YEARS OR BECAUSE THEY RENT; AND

9 (IV) PROPERTY TAX REBATES OR TAX-EQUIVALENT REBATES FOR
10 RENTERS AVAILABLE UNDER SECTION 39-31-102 ONLY ASSIST SENIORS
11 WITH INCOMES BELOW VERY LOW THRESHOLDS.

12 (b) (I) THEREFORE, IN ORDER TO HELP MORE SENIORS AFFORD THE
13 HIGH COST OF HOUSING IN COLORADO, THE GENERAL ASSEMBLY HEREBY
14 INTENDS TO ESTABLISH A REFUNDABLE INCOME TAX CREDIT FOR
15 INCOME-QUALIFIED SENIORS WHO DO NOT QUALIFY FOR THE SENIOR
16 PROPERTY TAX EXEMPTION TO HELP THEM AFFORD THE HIGH COST OF
17 HOUSING.

18 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), THE PURPOSE
19 OF THE TAX EXPENDITURE CREATED IN THIS SECTION IS TO PROVIDE TAX
20 RELIEF FOR INCOME-QUALIFIED SENIORS.

21 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
22 MEASURE THE EFFECTIVENESS OF THE EXEMPTION IN ACHIEVING THE
23 PURPOSE SPECIFIED IN SUBSECTION (1)(b)(II) OF THIS SECTION BASED ON
24 THE NUMBER OF TAXPAYERS WHO HAVE CLAIMED THE EXEMPTION.

25 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
26 REQUIRES:

27 (a) "CREDIT" MEANS A CREDIT AGAINST INCOME TAX THAT IS

1 CREATED IN THIS SECTION.

2 (b) "QUALIFYING SENIOR" MEANS A RESIDENT INDIVIDUAL WHO:

3 (I) IS SIXTY-FIVE YEARS OF AGE OR OLDER AT THE END OF 2022;

4 (II) HAS A FEDERAL ADJUSTED GROSS INCOME THAT IS LESS THAN
5 OR EQUAL TO SEVENTY-FIVE THOUSAND DOLLARS FOR THE INCOME TAX
6 YEAR COMMENCING ON JANUARY 1, 2022; AND

7 (III) HAS NOT CLAIMED A PROPERTY TAX EXEMPTION UNDER
8 SECTION 39-3-203 FOR THE PROPERTY TAX YEAR COMMENCING ON
9 JANUARY 1, 2022.

10 (3) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
11 2022, A QUALIFYING SENIOR IS ALLOWED A CREDIT AGAINST THE TAX
12 IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT SET FORTH IN SUBSECTION (4)
13 OF THIS SECTION.

14 (4) THE AMOUNT OF THE CREDIT IS ONE THOUSAND DOLLARS FOR
15 A QUALIFYING SENIOR WITH FEDERAL ADJUSTED GROSS INCOME THAT IS
16 TWENTY-FIVE THOUSAND DOLLARS OR LESS. FOR EVERY FIVE HUNDRED
17 DOLLARS OF ADJUSTED GROSS INCOME ABOVE TWENTY-FIVE THOUSAND
18 DOLLARS, THE AMOUNT OF THE CREDIT IS REDUCED BY TEN DOLLARS.

19 (5) (a) ONLY ONE CREDIT MAY BE CLAIMED FOR EACH SEPARATE
20 ADDRESS, AND THE CREDIT IS THE SAME WHETHER IT IS CLAIMED BY ONE
21 TAXPAYER FILING A SINGLE RETURN OR TWO TAXPAYERS FILING A JOINT
22 RETURN. IN THE CASE OF TWO TAXPAYERS WHO SHARE THE SAME PRIMARY
23 RESIDENCE AND WHO MAY LEGALLY FILE A JOINT RETURN BUT ACTUALLY
24 FILE SEPARATE RETURNS, ONLY ONE OF THE TAXPAYERS MAY CLAIM THE
25 CREDIT.

26 (b) ANY AMOUNT OF THE CREDIT THAT EXCEEDS THE QUALIFYING
27 SENIOR'S INCOME TAXES DUE IS REFUNDED TO THE QUALIFYING SENIOR.

1 (c) TO THE EXTENT PERMITTED BY FEDERAL LAW, THE CREDIT IS
2 NOT INCOME OR RESOURCES FOR THE PURPOSE OF DETERMINING
3 ELIGIBILITY FOR THE PAYMENT OF PUBLIC ASSISTANCE BENEFITS AND
4 MEDICAL ASSISTANCE BENEFITS AUTHORIZED UNDER STATE LAW OR FOR
5 A PAYMENT MADE UNDER ANY OTHER PUBLICLY FUNDED PROGRAMS.

6 (6) THE EXECUTIVE DIRECTOR SHALL ESTABLISH AN INCOME TAX
7 FORM FOR A QUALIFYING SENIOR WHO DOES NOT FILE A FEDERAL INCOME
8 TAX RETURN THAT ALLOWS THE QUALIFYING SENIOR TO CLAIM THE
9 CREDIT.

10 (7) THE DEPARTMENT OF REVENUE MAY USE THE REPORTS
11 RECEIVED FROM THE PROPERTY TAX ADMINISTRATOR IN ACCORDANCE
12 WITH SECTION 39-3-207 (7) FOR PURPOSES OF CONFIRMING THAT A
13 TAXPAYER MEETS THE ELIGIBILITY REQUIREMENT SET FORTH IN
14 SUBSECTION (2)(b)(III) OF THIS SECTION.

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