

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 23-0613.01 Jed Franklin x5484

HOUSE BILL 23-1047

HOUSE SPONSORSHIP

Wilson and Snyder,

SENATE SPONSORSHIP

(None),

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE INCOME TAX DEDUCTION FOR MARRIED PERSONS**
102 **FILING INCOME TAX RETURNS JOINTLY PURSUANT TO A**
103 **QUALIFIED TUITION PROGRAM CONTRIBUTION PLAN.**

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>.)

Current law allows a state income tax deduction for payments made under a qualified state tuition program equal to a maximum of \$20,000 for a taxpayer who files an individual income tax return and \$30,000 for 2 married taxpayers who file a joint income tax return. The bill increases to \$40,000 the maximum deduction for married taxpayers

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

who file a joint income tax return.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-104, **amend**
3 (4)(i)(II)(B) as follows:

4 **39-22-104. Income tax imposed on individuals, estates, and**
5 **trusts - single rate - report - legislative declaration - definitions -**
6 **repeal.** (4) There shall be subtracted from federal taxable income:

7 (i) (II) (B) Except as provided in subsection (4)(i)(II)(C) of this
8 section, for income tax years commencing on or after January 1, 2022,
9 **BUT BEFORE JANUARY 1, 2024,** an amount equal to all payments or
10 contributions, not to exceed twenty thousand dollars per taxpayer per
11 beneficiary for a taxpayer who files a single return or **thirty** thousand
12 dollars per taxpayer per beneficiary for taxpayers who file a joint return,
13 **AND FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1,**
14 **2024, AN AMOUNT EQUAL TO ALL PAYMENTS OR CONTRIBUTIONS, NOT TO**
15 **EXCEED TWENTY THOUSAND DOLLARS PER TAXPAYER PER BENEFICIARY**
16 **FOR A TAXPAYER WHO FILES A SINGLE RETURN, OR FORTY THOUSAND**
17 **DOLLARS PER TAXPAYER PER BENEFICIARY FOR TAXPAYERS WHO FILE A**
18 **JOINT RETURN,** made during the taxable year under an advance payment
19 contract, to a savings trust account, or otherwise in connection with a
20 qualified state tuition program established by collegeinvest created in
21 section 23-3.1-203, or to a qualified state tuition program that is affiliated
22 with an educational institution in the state and that is established and
23 maintained pursuant to section 529 of the internal revenue code or any
24 successor section, or, before January 1, 2026, in connection with a
25 qualified ABLE program. Notwithstanding subsection (4)(i)(III)(D) of

1 this section, collegeinvest may treat a change in beneficiary as a
2 nonqualifying distribution if the change was made for the purpose of
3 evading the limit in this subsection (4)(i)(II)(B).

4 **SECTION 2. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly; except
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V
8 of the state constitution against this act or an item, section, or part of this
9 act within such period, then the act, item, section, or part will not take
10 effect unless approved by the people at the general election to be held in
11 November 2024 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.