

# An Act

HOUSE BILL 23-1084

BY REPRESENTATIVE(S) Bradfield and Ortiz, Armagost, Bird, Bockenfeld, Boesenecker, Bradley, Brown, Duran, English, Frizell, Froelich, Hamrick, Herod, Holtorf, Jodeh, Lieder, Lindsay, Lindstedt, Lukens, Lynch, Mabrey, Mauro, McLachlan, Michaelson Jenet, Pugliese, Ricks, Sharbini, Story, Titone, Valdez, Weinberg, Weissman, Young, McCluskie;

also SENATOR(S) Gardner and Zenzinger, Bridges, Cutter, Danielson, Exum, Ginal, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kirkmeyer, Kolker, Liston, Marchman, Moreno, Pelton B., Pelton R., Priola, Roberts, Simpson, Smallwood, Sullivan, Van Winkle, Will, Winter F., Fenberg.

CONCERNING THE CONTINUATION OF THE INCOME TAX DEDUCTION FOR  
MILITARY RETIREMENT BENEFITS.

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

**SECTION 1.** In Colorado Revised Statutes, 39-22-104, **amend** (4)(y)(I) introductory portion and (4)(y)(I)(D); and **add** (4)(y)(III) as follows:

**39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report - legislative declaration - definitions - repeal.**

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

(4) There shall be subtracted from federal taxable income:

(y) (I) For income tax years commencing on or after January 1, 2019, but prior to ~~January 1, 2024~~ JANUARY 1, 2029, an amount equal to a qualified individual's military retirement benefits included in federal adjusted gross income, but not to exceed the following amounts:

(D) Fifteen thousand dollars for income tax years commencing on or after January 1, 2022, but before ~~January 1, 2024~~ JANUARY 1, 2029.

(III) (A) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT EXTENDS A TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION IF ONE WAS NOT PREVIOUSLY INCLUDED IN THE TAX EXPENDITURE, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN THIS SUBSECTION (4)(y) IS TO PROVIDE TAX RELIEF TO CERTAIN INDIVIDUALS, NAMELY MILITARY RETIREES.

(B) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THIS TAX EXPENDITURE IN ACHIEVING THE PURPOSE SPECIFIED IN SUBSECTION (4)(y)(III)(A) OF THIS SECTION BY MEASURING WHETHER MILITARY RETIREES ARE BENEFITTING FROM THE TAX EXPENDITURE, AND BY HOW MUCH.

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

November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Steve Fenberg  
PRESIDENT OF  
THE SENATE

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Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

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Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED \_\_\_\_\_  
(Date and Time)

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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO