

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-1036.01 Jed Franklin x5484

HOUSE BILL 23-1311

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A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN IDENTICAL REFUND PAYMENT OF**
102 **EXCESS STATE REVENUES FROM ALL SOURCES AS A MECHANISM**
103 **TO REFUND A PORTION OF THE EXCESS STATE REVENUES FOR**
104 **THE 2022-23 STATE FISCAL YEAR ONLY.**

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>.)

If the state exceeds its fiscal year spending limit (limit), it is required to refund the excess state revenues (TABOR refunds). There are currently 3 refund mechanisms for TABOR refunds that apply for the

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.

SENATE
2nd Reading Unamended
May 7, 2023

HOUSE
3rd Reading Unamended
May 7, 2023

HOUSE
2nd Reading Unamended
May 6, 2023

2022-23 state fiscal year:

- Reimbursement, paid to counties for allocation to local governments that levy property taxes, for the reduction in property taxes resulting from the property tax exemptions for qualifying seniors and veterans with a disability;
- An additional reimbursement that is paid to counties for allocation to local governmental entities that levy property taxes for the reduction in property taxes resulting from reductions in valuation for assessment; and
- A sales tax refund for individual taxpayers, the amount of which is either based on 6 tiers of income or, if there is insufficient revenue for the tiered approach, is an identical refund amount.

The bill creates a new temporary refund mechanism, which is contingent on the voters approving proposition HH at the November 7, 2023, statewide election, that replaces the sales tax refund mechanism for the 2022-23 state fiscal year. Under this mechanism, each qualified individual is eligible to receive an identical refund payment from the remaining excess state revenues after refunds are made through the county reimbursement mechanisms (remaining excess state revenues). The amount of the refund is equal to the remaining excess state revenues divided by the number of qualified individuals, and it is a refund from all sources of state fiscal year spending. A qualified individual filing a single return is entitled to one refund, and 2 qualified individuals filing a joint return are entitled to 2 refunds. The executive director of the department of revenue is required to administer this refund in the same manner as the identical sales tax refund.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-2005 as
3 follows:

4 **39-22-2005. Refund of excess state revenues from all sources**
5 **- definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES:

7 (a) "QUALIFIED INDIVIDUAL" HAS THE SAME MEANING AS SET
8 FORTH IN SECTION 39-22-2003 (1).

9 (b) "REMAINING EXCESS STATE REVENUES" MEANS THE TOTAL
10 AMOUNT OF THE STATE REVENUES FOR THE STATE FISCAL YEAR

1 COMMENCING ON JULY 1, 2022, IN EXCESS OF THE LIMITATION ON STATE
2 FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF
3 THE STATE CONSTITUTION THAT THE STATE IS REQUIRED TO REFUND
4 UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION,
5 INCLUDING ANY AMOUNT SPECIFIED IN SECTION 24-77-103.8, THAT
6 EXCEEDS THE AMOUNTS TO BE REFUNDED AS REQUIRED BY SECTIONS
7 39-3-209 AND 39-3-210 FOR THE STATE FISCAL YEAR.

8 (2) NOTWITHSTANDING SECTIONS 39-22-2002 AND 39-22-2003,
9 ANY REMAINING EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR
10 COMMENCING ON JULY 1, 2022, ARE REFUNDED THROUGH AN IDENTICAL
11 PAYMENT TO QUALIFIED INDIVIDUALS. THE AMOUNT OF EACH REFUND IS
12 EQUAL TO THE AMOUNT OF THE REMAINING EXCESS STATE REVENUES
13 DIVIDED BY THE NUMBER OF QUALIFIED INDIVIDUALS EXPECTED TO CLAIM
14 A REFUND PURSUANT TO SECTION 39-22-2003 FOR THE INCOME TAX YEAR
15 COMMENCING ON JANUARY 1, 2023. THIS IS A REFUND OF EXCESS STATE
16 REVENUES FROM ALL SOURCES OF FISCAL YEAR SPENDING.

17 (3) A QUALIFIED INDIVIDUAL FILING A SINGLE RETURN IS ENTITLED
18 TO ONE REFUND UNDER THIS SECTION AND TWO QUALIFIED INDIVIDUALS
19 FILING A JOINT RETURN ARE ENTITLED TO TWO REFUNDS UNDER THIS
20 SECTION. THE EXECUTIVE DIRECTOR SHALL CALCULATE THE AMOUNT OF
21 THE REFUND REQUIRED BY THIS SECTION AND SHALL ADMINISTER THE
22 REFUND IN THE SAME MANNER AS THE REFUND SET FORTH IN SECTION
23 39-22-2003.

24 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

25 **SECTION 2. Effective date - applicability.** (1) Except as
26 otherwise provided in subsection (2) of this section, this act takes effect
27 upon passage.

1 (2) (a) Section 1 of this act takes effect only if, at the November
2 2023 statewide election, a majority of voters approve the ballot issue
3 submitted for their approval or rejection pursuant to section 24-77-202,
4 C.R.S., as enacted by Senate Bill 23-303.

5 (b) If the voters at the November 2023 statewide election approve
6 the ballot issue described in subsection (2)(a) of this section, then section
7 1 of this act takes effect on the later of January 1, 2024, or the date of the
8 official declaration of the vote thereon by the governor.

9 **SECTION 3. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety.