

## CHAPTER 3

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**TAXATION**


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**HOUSE BILL 23B-1002**

BY REPRESENTATIVE(S) Willford and Young, Duran, Amabile, Bacon, Brown, English, Epps, Froelich, García, Hernández, Lieder, Lindsay, Lindstedt, McCluskie, McCormick, Parenti, Ricks, Rutinel, Sharbini, Vigil, Weissman, Boesenecker, Daugherty, deGruy Kennedy, Dickson, Hamrick, Herod, Jodeh, Kipp, Lukens, Mabrey, Martinez, Mauro, McLachlan, Ortiz, Story, Titone, Velasco;

also SENATOR(S) Kolker and Fields, Bridges, Cutter, Gonzales, Marchman, Priola, Winter F., Buckner, Danielson, Exum, Hansen, Jaquez Lewis, Michaelson Jenet, Rodriguez, Sullivan, Fenberg.

**AN ACT**

**CONCERNING AN INCREASE IN THE EARNED INCOME TAX CREDIT FOR INCOME TAX YEAR 2023, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, 39-22-123.5, **add** (2.8) as follows:

**39-22-123.5. Earned income tax credit - legislative declaration - repeal.**

(2.8) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2024, ONLY, THE RATE OF CREDIT ALLOWED FOR THE RESIDENT INDIVIDUALS DESCRIBED IN SUBSECTIONS (2), (2.5), AND (2.7), OF THIS SECTION, RESPECTIVELY, IS INCREASED FROM TWENTY-FIVE PERCENT TO FIFTY PERCENT OF THE FEDERAL CREDIT DESCRIBED IN THE RESPECTIVE SUBSECTIONS (2), (2.5), AND (2.7) OF THIS SECTION.

(b) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT INCREASING THE RATE OF THE CREDIT AS SPECIFIED IN THIS SUBSECTION (2.8)(a) REDUCES THE AMOUNT OF STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), FOR THE 2023-24 STATE FISCAL YEAR AND IS THEREFORE, AFTER EXCESS STATE REVENUES FOR THE 2022-23 STATE FISCAL YEAR ARE REFUNDED PURSUANT TO SECTIONS 39-3-209, 39-3-210, AND ANY OTHER REFUND MECHANISM PROVIDED FOR IN LAW OTHER THAN THE REFUND MECHANISM PROVIDED FOR IN PART 20 OF ARTICLE 22 OF THIS TITLE, A REASONABLE METHOD OF REFUNDING A PORTION OF ANY REMAINING EXCESS STATE REVENUES FOR THE 2022-23 STATE FISCAL YEAR THAT ARE REQUIRED TO BE

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*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.*

REFUNDED IN THE 2023-24 STATE FISCAL YEAR IN ACCORDANCE WITH SECTION 20 (7)(d) OF THE STATE CONSTITUTION.

**SECTION 2. Appropriation.** (1) For the 2023-24 state fiscal year, \$51,483 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

- (a) \$23,175 for tax administration IT system (GenTax) support;
- (b) \$13,792 for use by taxation services for personal services;
- (c) \$14,000 for use by the executive director's office for personal services related to administration and support; and
- (d) \$516 for the purchase of document management services.

(2) For the 2023-24 state fiscal year, \$516 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(d) of this section. To implement this act, the department of personnel may use this appropriation to provide document management services for the department of revenue.

**SECTION 3. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: November 20, 2023