

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

PREAMENDED

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

LLS NO. 24-0543.01 Jason Gelender x4330

SENATE BILL 24-016

SENATE SPONSORSHIP

Zenzinger and Smallwood, Buckner, Cutter, Exum, Ginal, Hinrichsen, Marchman,
Michaelson Jenet, Priola, Winter F.

HOUSE SPONSORSHIP

Snyder,

Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING QUALIFICATION FOR STATE INCOME TAX CREDITS FOR**
102 **CHARITABLE CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS,**
103 **AND, IN CONNECTION THEREWITH, AUTHORIZING A TAXPAYER**
104 **TO MAKE A CHARITABLE CONTRIBUTION FOR WHICH THE**
105 **TAXPAYER MAY CLAIM A STATE INCOME TAX CREDIT TO A**
106 **CHARITABLE RECIPIENT ORGANIZATION THROUGH A QUALIFIED**
107 **INTERMEDIARY THAT FORWARDS THE CONTRIBUTION TO THE**
108 **CHARITABLE RECIPIENT ORGANIZATION, ALLOWING A TAX**
109 **CREDIT CERTIFICATE FOR THE COLORADO HOMELESS**
110 **CONTRIBUTION TAX CREDIT TO INCLUDE ONLY THE LAST FOUR**
111 **DIGITS, RATHER THAN ALL DIGITS, OF A TAXPAYER'S SOCIAL**
112 **SECURITY NUMBER, AND MAKING AN APPROPRIATION.**

*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
3rd Reading Unamended
March 13, 2024

SENATE
Amended 2nd Reading
March 12, 2024

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>.)

A qualified intermediary is a charitable organization that collects charitable contributions from donors and forwards the contributions to charitable recipient organizations. The bill authorizes a taxpayer to make a charitable contribution for which the taxpayer may claim a state income tax credit to a charitable recipient organization through a qualified intermediary that forwards the contribution to the charitable recipient organization, rather than making the contribution directly to the charitable recipient organization, without losing the right to claim the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-548, **amend**
3 (3)(c) and (5)(f)(I) as follows:

4 **39-22-548. Colorado homeless contribution tax credit -**
5 **legislative declaration - definitions - repeal.** (3) (c) The approved
6 nonprofit organization that receives the allowable contribution shall issue
7 a tax credit certificate to each taxpayer that makes an allowable
8 contribution pursuant to subsections (3)(a) or (3)(b) of this section; except
9 that the approved nonprofit organization shall not issue tax credit
10 certificates that total more than seven hundred fifty thousand dollars per
11 income tax year, and if the approved nonprofit organization administers
12 one or more approved projects, in addition to providing a qualifying
13 service, then the approved nonprofit organization shall not issue tax credit
14 certificates for allowable contributions to one or more approved projects
15 that total more than an additional seven hundred fifty thousand dollars per
16 income tax year. The tax credit certificate must state **A UNIQUE**

1 CERTIFICATE IDENTIFICATION NUMBER, the amount of the allowable
2 contribution, the taxpayer's name, the LAST FOUR DIGITS OF THE taxpayer's
3 social security number or THE TAXPAYER'S FULL federal employer
4 identification number, the type of the contribution, the date the taxpayer
5 made the contribution, the amount of the tax credit that is authorized for
6 that taxpayer, and any other information that the executive director of the
7 department of revenue may require. Tax credit certificates shall be issued
8 in the order of received allowable contributions.

9 (5) (f) (I) No later than ~~February 15, 2023~~ JUNE 30, 2025, the
10 division shall complete a review of every organization and project
11 deemed approved under subsection (5)(a)(II) of this section, and no later
12 than ~~February 15, 2024~~ JUNE 30, 2026, and ~~February 15~~ JUNE 30 of each
13 year thereafter, the division shall complete a review of every other
14 approved nonprofit organization and approved project to evaluate
15 performance and compliance with the requirements of this section. The
16 division must review the qualifying activities being provided and
17 determine how the activities are addressing current and emerging needs
18 of individuals and families experiencing homelessness in each approved
19 nonprofit organization's community, or, if applicable, each approved
20 project's community.

21 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-630 as
22 follows:

23 **39-22-630. Charitable contributions made through qualified**
24 **intermediaries - eligibility for income tax credits maintained -**
25 **definitions.** (1) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
26 JANUARY 1, 2024, A TAXPAYER MAY CLAIM A CREDIT FOR MAKING A
27 CONTRIBUTION TO A QUALIFIED INTERMEDIARY TO THE SAME EXTENT

1 THAT THE TAXPAYER COULD CLAIM A CREDIT FOR MAKING THE
2 CONTRIBUTION DIRECTLY TO A RECIPIENT ORGANIZATION SO LONG AS THE
3 RECIPIENT ORGANIZATION IS APPROVED OR CERTIFIED, TO THE EXTENT
4 REQUIRED AND IN ACCORDANCE WITH THE PROCESS REQUIRED BY THE LAW
5 AUTHORIZING THE CREDIT, AS MEETING THE CRITERIA REQUIRED TO
6 RECEIVE SUCH A DIRECT CONTRIBUTION. NOTHING IN THIS SUBSECTION (1)
7 MODIFIES OR ELIMINATES ANY OBLIGATION OF A RECIPIENT
8 ORGANIZATION, AS SET FORTH IN A STATE LAW, RULE, OR AGENCY
9 GUIDELINE, TO ISSUE TAX CREDIT CERTIFICATES, COLLECT INFORMATION
10 FROM DONORS, PROVIDE INFORMATION TO THE DEPARTMENT OF REVENUE
11 OR ANY OTHER STATE AGENCY, OR TAKE ANY OTHER ACTION NECESSARY
12 FOR THE PROPER ADMINISTRATION OF A CREDIT.

13 (2) AS USED IN THIS SECTION:

14 (a) "CREDIT" MEANS ANY CREDIT AGAINST THE TAXES IMPOSED
15 PURSUANT TO THIS ARTICLE 22 OR ARTICLE 30 OF THIS TITLE THAT IS
16 AUTHORIZED BY LAW.

17 (b) "QUALIFIED INTERMEDIARY" MEANS AN ORGANIZATION THAT
18 HAS ATTAINED TAX EXEMPT STATUS UNDER SECTION 501 (c)(3) OF THE
19 INTERNAL REVENUE CODE. IF THE ORGANIZATION IS OBLIGATED, EXCEPT
20 WHEN EXERCISING VARIANCE POWER AS REQUIRED OR AUTHORIZED BY
21 LAW OR FEDERAL REGULATIONS, TO DISBURSE CONTRIBUTIONS RECEIVED
22 FROM A TAXPAYER TO A RECIPIENT ORGANIZATION AS DIRECTED BY THE
23 TAXPAYER.

24 (c) "RECIPIENT ORGANIZATION" MEANS AN ORGANIZATION THAT
25 HAS ATTAINED TAX EXEMPT STATUS UNDER SECTION 501 (c)(3) OF THE
26 INTERNAL REVENUE CODE. AND INCLUDES ANY PROGRAM OR PROJECT OF
27 THE ORGANIZATION TO WHICH A TAXPAYER MAY MAKE A CONTRIBUTION

1 FOR WHICH THE TAXPAYER MAY CLAIM A CREDIT.

2 **SECTION 3.** In Colorado Revised Statutes, 39-30-103.5, **repeal**
3 **(5)(b)** as follows:

4 **39-30-103.5. Credit against tax - contributions to enterprise**
5 **zone administrators to implement economic development plans -**
6 **repeal.** ~~(5) (b) For income tax years commencing on and after January~~
7 ~~1, 2013, contributions pursuant to this section may be made directly to an~~
8 ~~organization that has attained tax exempt status under section 501 (c)(3)~~
9 ~~of the federal "Internal Revenue Code of 1986", as amended, if such~~
10 ~~organization is obligated to disburse the contribution as directed by the~~
11 ~~taxpayer to a recipient organization that has attained tax exempt status~~
12 ~~under section 501 (c)(3) of the federal "Internal Revenue Code of 1986",~~
13 ~~as amended, or to such recipient organization's program or project, so~~
14 ~~long as either the recipient organization, program, or project is certified~~
15 ~~by the enterprise zone administrator as meeting the criteria set forth in~~
16 ~~this section for the purpose of receiving direct contributions as allowed~~
17 ~~in paragraph (a) of this subsection (5).~~

18 **SECTION 4. Appropriation.** (1) For the 2024-25 state fiscal
19 year, \$41,769 is appropriated to the department of revenue. This
20 appropriation is from the general fund. To implement this act, the
21 department may use this appropriation as follows:

22 (a) \$22,029 for use by the taxation business group for personal
23 services related to taxation services, which amount is based on an
24 assumption that the division will require an additional 0.4 FTE;

25 (b) \$7,182 for use by the taxation business group for operating
26 expenses related to taxation services;

27 (c) \$7,416 for tax administration IT system (GenTax) support;

1 (d) \$2,590 for use by the executive director's office for personal
2 services related to administration and support; and

3 (e) \$2,552 for the purchase of document management.

4 (2) For the 2024-25 state fiscal year, \$2,552 is appropriated to the
5 department of personnel. This appropriation is from reappropriated funds
6 received from the department of revenue under subsection (1)(e) of this
7 section. To implement this act, the department of personnel may use this
8 appropriation to provide document management services for the
9 department of revenue.

10 (3) For the 2024-25 state fiscal year, \$5,000 is appropriated to the
11 department of local affairs. This appropriation is from the general fund.
12 To implement this act, the department may use this appropriation for
13 payments to OIT.

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