

**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. 24-0593.02 Jessica Herrera x4218

HOUSE BILL 24-1271

HOUSE SPONSORSHIP

McCormick,

SENATE SPONSORSHIP

(None),

House Committees

Agriculture, Water & Natural Resources
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX CREDIT FOR QUALIFIED**
102 **INDIVIDUALS IN THE VETERINARY FIELD.**

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>.)

For income tax years commencing on or after January 1, 2026, but before January 1, 2033, the bill creates a new refundable state income tax credit for a qualified licensed veterinarian and a registered veterinary technician (veterinary professional) working full-time in an underserved area or under-resourced area (underserved area) and for a buyer of a veterinary practice in an underserved area. The department of agriculture

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.

(department) is required to certify tax credits for eligible veterinary professionals and buyers of a veterinary practice in an underserved area in an amount not to exceed, in aggregate, \$2 million in any tax year.

No later than July 1, 2025, the department is required to promulgate rules for issuing a tax credit certificate to an eligible veterinary professional working full-time in an underserved area and for a buyer of a veterinary practice in an underserved area using the recommendations of an advisory board (board) that consists of 3 licensed veterinarians, 3 registered veterinary technicians, 3 agricultural animal producers, and 3 representatives from animal welfare nonprofits chosen by the commissioner of agriculture.

The department must promulgate rules that include criteria for the determination of which geographic areas of the state fall within the definition of an underserved or under-resourced area. The department must also promulgate rules that determine a mechanism to determine the tax credit amount the department is able to certify to an eligible veterinary professional working full-time in an underserved area that is no less than \$5,000 and no more than \$30,000 and to a buyer of a veterinary practice in an underserved or under-resourced area that is no less than \$10,000 and no more than \$200,000.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-560 as
3 follows:

4 **39-22-560. Qualified veterinary professional and buyer of**
5 **veterinary practice tax credit - tax preference performance statement**
6 **- legislative declaration - definitions - repeal.** (1) (a) IN ACCORDANCE
7 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES
8 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
9 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
10 GENERAL ASSEMBLY DECLARES THAT:

11 (I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
12 ALLOWED BY THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED
13 BEHAVIOR BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN
14 BUSINESSES OR INDIVIDUALS; AND

1 (II) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
2 ALLOWED BY THIS SECTION IS TO ADDRESS THE SHORTAGE OF LICENSED
3 VETERINARIANS AND REGISTERED VETERINARY TECHNICIANS IN
4 UNDERSERVED AND UNDER-RESOURCED AREAS OF THE STATE OR
5 UNDERSERVED AND UNDER-RESOURCED CATEGORIES OF VETERINARY
6 MEDICINE PRACTICE BY PROVIDING INCENTIVES TO THOSE VETERINARIANS
7 AND VETERINARY TECHNICIANS TO WORK IN UNDERSERVED OR
8 UNDER-RESOURCED AREAS OR TO BUY OR START A VETERINARY PRACTICE
9 IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY.

10 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
11 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
12 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE NUMBER
13 OF CREDITS THAT ARE CLAIMED.

14 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
15 REQUIRES:

16 (a) "CREDIT CERTIFICATE" MEANS A CERTIFICATE ISSUED BY THE
17 DEPARTMENT CERTIFYING THAT A QUALIFIED TAXPAYER QUALIFIES FOR AN
18 INCOME TAX CREDIT AUTHORIZED IN THIS SECTION AND SPECIFYING THE
19 AMOUNT OF THE CREDIT ALLOWED AND THE INCOME TAX YEAR FOR WHICH
20 THE CREDIT MAY BE CLAIMED.

21 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF AGRICULTURE.

22 (c) "OWNER" MEANS A PERSON WHO IS A LICENSED VETERINARIAN
23 PURSUANT TO PART 1 OF ARTICLE 315 OF TITLE 12 OR AN ENTITY IN WHICH
24 A MAJORITY OF OWNERSHIP INTEREST IS HELD BY LICENSED
25 VETERINARIANS.

26 (d) "QUALIFIED TAXPAYER" MEANS A VETERINARY PROFESSIONAL
27 WORKING AT LEAST HALF-TIME IN AN UNDERSERVED OR

1 UNDER-RESOURCED AREA OR A BUYER OF A VETERINARY PRACTICE IN AN
2 UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY.

3 (e) "VETERINARY PRACTICE" MEANS A VETERINARY BUSINESS,
4 OFFICE, HOSPITAL, CLINIC, OR TEMPORARY LOCATION WHERE VETERINARY
5 MEDICINE IS BEING PRACTICED BY OR UNDER THE DIRECTION AND
6 SUPERVISION OF A LICENSED VETERINARIAN. A PRACTICE MAY ALSO
7 INCLUDE A MOBILE VETERINARY PRACTICE THAT DOES NOT HAVE A
8 PERMANENT PHYSICAL ESTABLISHMENT OR LOCATION.

9 (f) "VETERINARY PROFESSIONAL" MEANS A VETERINARIAN
10 LICENSED PURSUANT TO PART 1 OF ARTICLE 315 OF TITLE 12 AND A
11 VETERINARY TECHNICIAN REGISTERED PURSUANT TO PART 2 OF ARTICLE
12 315 OF TITLE 12.

13 (3) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION
14 (3)(b) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR
15 AFTER JANUARY 1, 2026, BUT BEFORE JANUARY 1, 2033:

16 (I) A VETERINARY PROFESSIONAL WORKING AT LEAST HALF-TIME
17 IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR CATEGORY IS
18 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
19 ARTICLE 22 IN AN AMOUNT DETERMINED BY THE DEPARTMENT PURSUANT
20 TO SUBSECTION (3)(b) OF THIS SECTION THAT IS NO LESS THAN FIVE
21 THOUSAND DOLLARS AND NO MORE THAN THIRTY THOUSAND DOLLARS.

22 (II) A BUYER WHO IS A LICENSED VETERINARIAN OF A VETERINARY
23 PRACTICE IN AN UNDERSERVED OR UNDER-RESOURCED AREA OR
24 CATEGORY IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED
25 BY THIS ARTICLE 22 IN AN AMOUNT DETERMINED BY THE DEPARTMENT
26 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION THAT IS NO LESS THAN
27 TEN THOUSAND DOLLARS AND NO MORE THAN TWO HUNDRED THOUSAND

1 DOLLARS. IF THE BUYER IS STARTING A NEW PRACTICE, THE BUYER MUST
2 PRACTICE FOR AT LEAST THREE YEARS IN THE SAME PRACTICE.

3 (III) AN OWNER OF A NEW VETERINARY PRACTICE IN AN
4 UNDERSERVED OR UNDER-RESOURCED AREA OR PRACTICE CATEGORY IS
5 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
6 ARTICLE 22 IN AN AMOUNT DETERMINED BY THE DEPARTMENT PURSUANT
7 TO SUBSECTION (3)(b) OF THIS SECTION THAT IS NO LESS THAN TEN
8 THOUSAND DOLLARS AND NO MORE THAN TWO HUNDRED THOUSAND
9 DOLLARS.

10 (IV) TO CLAIM THE TAX CREDIT, A QUALIFIED TAXPAYER SHALL
11 FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE DEPARTMENT PURSUANT
12 TO SUBSECTION (3)(b) OF THIS SECTION WITH THE QUALIFIED TAXPAYER'S
13 STATE INCOME TAX RETURN.

14 (b) (I) A TAXPAYER SHALL SUBMIT AN APPLICATION TO THE
15 DEPARTMENT FOR A TAX CREDIT CERTIFICATE TO CLAIM THE TAX CREDIT
16 ALLOWED BY THIS SECTION ON A FORM AND IN A MANNER PRESCRIBED BY
17 THE DEPARTMENT. THE DEPARTMENT SHALL ISSUE TAX CREDIT
18 CERTIFICATES AND SHALL REVIEW AND APPROVE OR DENY AN APPLICATION
19 WITHIN A REASONABLE TIME NOT TO EXCEED NINETY DAYS AFTER THE
20 FILING OF A COMPLETED APPLICATION. IF THE DEPARTMENT DETERMINES
21 THAT AN APPLICANT IS NOT ENTITLED TO A TAX CREDIT CERTIFICATE
22 UNDER THIS SECTION, THE BOARD SHALL NOTIFY THE APPLICANT OF ITS
23 DISAPPROVAL IN WRITING.

24 (II) THE DEPARTMENT SHALL, IN A SUFFICIENTLY TIMELY MANNER
25 TO ALLOW THE DEPARTMENT OF REVENUE TO PROCESS RETURNS ON WHICH
26 A QUALIFIED TAXPAYER CLAIMS THE INCOME TAX CREDIT ALLOWED IN
27 THIS SECTION, PROVIDE THE DEPARTMENT OF REVENUE WITH AN

1 ELECTRONIC REPORT FOR THE PRECEDING TAX YEAR THAT LISTS EACH
2 QUALIFIED TAXPAYER TO WHICH THE BOARD ISSUED A TAX CREDIT
3 CERTIFICATE AND INCLUDES THE FOLLOWING INFORMATION:

4 (A) THE QUALIFIED TAXPAYER'S NAME;

5 (B) THE AMOUNT OF THE INCOME TAX CREDIT THAT THE
6 CERTIFICATE INDICATES THE QUALIFIED TAXPAYER IS ELIGIBLE TO CLAIM;
7 AND

8 (C) THE QUALIFIED TAXPAYER'S SOCIAL SECURITY NUMBER OR THE
9 QUALIFIED TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL
10 EMPLOYER IDENTIFICATION NUMBER.

11 (III) NO LATER THAN JULY 1, 2025, THE DEPARTMENT SHALL
12 PROMULGATE RULES FOR ISSUING A TAX CREDIT CERTIFICATE TO AN
13 ELIGIBLE VETERINARY PROFESSIONAL WORKING AT LEAST HALF-TIME IN
14 AN UNDERSERVED AREA OR CATEGORY AND FOR A BUYER OF A
15 VETERINARY PRACTICE IN AN UNDERSERVED AREA OR CATEGORY USING
16 THE RECOMMENDATIONS OF AN ADVISORY COMMITTEE APPOINTED BY THE
17 STATE VETERINARIAN THAT CONSISTS OF THREE LICENSED
18 VETERINARIANS, THREE REGISTERED VETERINARY TECHNICIANS, TWO
19 COLORADO ANIMAL PRODUCERS, OR THEIR REPRESENTATIVES, AND TWO
20 COLORADO NONPROFIT ORGANIZATIONS THAT UTILIZE VETERINARY
21 SERVICES OR THEIR REPRESENTATIVES. WHEN APPOINTING THE MEMBERS
22 OF THE ADVISORY COMMITTEE, THE STATE VETERINARIAN MUST, TO THE
23 EXTENT POSSIBLE, CHOOSE MEMBERS THAT REPRESENT DIVERSE
24 CATEGORIES OF VETERINARY MEDICINE PRACTICE.

25 (IV) THE DEPARTMENT SHALL NOT CERTIFY MORE THAN FIVE
26 MILLION DOLLARS OF TAX CREDITS IN ANY GIVEN TAX YEAR UNDER THIS
27 SECTION.

1 (V) THE RULES PROMULGATED BY THE DEPARTMENT MUST
2 INCLUDE:

3 (A) CRITERIA FOR THE DETERMINATION OF WHICH GEOGRAPHIC
4 AREAS OR WHICH PRACTICE CATEGORIES FALL WITHIN THE DEFINITION OF
5 UNDERSERVED OR UNDER-RESOURCED;

6 (B) A MECHANISM TO DETERMINE THE TAX CREDIT AMOUNT THE
7 DEPARTMENT IS ABLE TO CERTIFY TO AN ELIGIBLE VETERINARY
8 PROFESSIONAL WORKING AT LEAST HALF-TIME IN AN UNDERSERVED AREA
9 THAT IS NO LESS THAN FIVE THOUSAND DOLLARS AND NO MORE THAN
10 THIRTY THOUSAND DOLLARS;

11 (C) A MECHANISM FOR DETERMINING THE TAX CREDIT AMOUNT
12 ALLOWED TO A BUYER OF A VETERINARY PRACTICE OR BUYER OF A NEW
13 VETERINARY PRACTICE;

14 (D) CRITERIA FOR APPLICATION REQUIREMENTS INCLUDING ANY
15 DOCUMENTATION NEEDED FOR VERIFYING ELIGIBILITY; AND

16 (E) CRITERIA FOR A WAIT LIST IF APPLICATIONS FOR TAX CREDIT
17 CERTIFICATES SUBMITTED TO THE DEPARTMENT BY QUALIFIED TAXPAYERS
18 ISSUED IN ANY GIVEN TAX YEAR EXCEED THE LIMIT PURSUANT TO
19 SUBSECTION (3)(b)(II) OF THIS SECTION.

20 (VI) THE DEPARTMENT MAY PROMULGATE ANY OTHER RULES
21 NECESSARY FOR THE ADMINISTRATION OF THIS SECTION.

22 (VII) ONLY ONE TAX CREDIT MAY BE ISSUED TO A QUALIFIED
23 TAXPAYER THAT QUALIFIES PURSUANT TO SUBSECTION (3)(a)(II) OR
24 (3)(a)(III) OF THIS SECTION.

25 (VIII) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
26 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED TAXPAYER, THE
27 EXCESS TAX CREDIT MAY NOT BE CARRIED FORWARD AND IS REFUNDED TO

1 THE TAXPAYER.

2 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2037.

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