

**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. 24-1196.01 Rebecca Bayetti x4348

**SENATE BILL 24-228**

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**A BILL FOR AN ACT**

101 **CONCERNING MECHANISMS TO REFUND EXCESS STATE REVENUES, AND,**  
102 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**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 constitutional fiscal year spending limit, it is required by the Taxpayer's Bill of Rights (TABOR) to refund the excess state revenues (TABOR refunds). There are currently 2 active mechanisms for TABOR refunds, which occur in the following order of priority:

- First, a reimbursement paid to counties for allocation to

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  
May 7, 2024

SENATE  
Amended 2nd Reading  
May 4, 2024

local governments to offset the reduction in property taxes resulting from property tax exemptions for qualifying seniors, veterans with disabilities, and spouses of veterans who died in the line of duty or as a result of a service-related injury or disease (homestead exemptions); and

- Last, a sales tax refund for individual taxpayers, the amount of which is either an identical flat refund amount or based on 6 tiers of income.

Another refund mechanism exists in current law but is not active. That mechanism is a temporary reduction in the state individual income tax rate from 4.63% to 4.5%. Because the current state individual income tax rate is 4.4%, however, this temporary rate reduction refund mechanism is not able to be triggered by any excess state revenues.

The bill affects the existing TABOR refund mechanisms and creates a fourth TABOR refund mechanism; except that the homestead exemptions are not affected.

Under the current sales tax refund mechanism, all qualified individuals receive an identical refund amount if the identical refund amount is less than or equal to \$15 dollars, but if the identical refund amount would be above \$15 dollars, the excess state revenues are instead refunded through a 6-tier refund mechanism based on the qualified individual's adjusted gross income. The bill increases the identical refund amount above which the 6-tier mechanism is triggered and ties this identical refund threshold to internal revenue service calculations of sales tax paid in the state. The 6-tiered income classifications of the sales tax refund are not changed. The bill clarifies that if, by September 1 of any year, the executive director of the department of revenue has not received advice from the internal revenue service that an identical refund is regarded as a refund of sales tax and not as an accession to wealth, no identical refund is allowed and all excess state revenues are refunded through the 6-tier mechanism. The sales tax refund mechanism is addressed in **sections 3 through 8** of the bill.

The temporary income tax rate reduction is reactivated for income tax years 2025 through 2035. To refund excess state revenues from fiscal year 2023-24, the income tax rate for income tax year 2024 is temporarily reduced from 4.40% to 4.25%. After that year, if the amount of excess state revenues exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions, then the state individual income tax rate is temporarily reduced by the following percentages according to the total amount of excess state revenues remaining after the reimbursement is paid (remaining excess state revenues):

- If the remaining excess state revenues are above \$300 million but less than or equal to \$500 million, the

individual income tax rate is temporarily reduced by 0.04%;

- If the remaining excess state revenues are above \$500 million but less than or equal to \$600 million, the individual income tax rate is temporarily reduced by 0.07%;
- If the remaining excess state revenues are above \$600 million but less than or equal to \$700 million, the individual income tax rate is temporarily reduced by 0.09%;
- If the remaining excess state revenues are above \$700 million but less than or equal to \$800 million, the individual income tax rate is temporarily reduced by 0.11%;
- If the remaining excess state revenues are above \$800 million but less than or equal to \$1 billion, the individual income tax rate is temporarily reduced by 0.12%;
- If the remaining excess state revenues are above \$1 billion but less than or equal to \$1.5 billion, the individual income tax rate is temporarily reduced by 0.13%; and
- If the remaining excess state revenues are above \$1.5 billion, the individual income tax rate is temporarily reduced by 0.15%.

The individual income tax rate reduction refund mechanism is set to repeal on July 1, 2035. The income tax rate reduction refund mechanism is addressed in **sections 1 and 2**.

The bill also establishes a fourth TABOR refund mechanism for remaining excess state revenues for fiscal years starting on July 1, 2024, but before July 1, 2034. Under this mechanism, if the amount of remaining excess state revenues is equal to or greater than \$1.5 billion and exceeds the projected total amount of TABOR refunds issued as reimbursement to counties for the homestead exemptions and through the temporary income tax rate reduction, then the state sales and use tax rates are temporarily reduced by 0.13%. The state sales and use tax rate reduction refund mechanism is set to repeal on July 1, 2035. The sales and use tax rate reduction refund mechanism is addressed in **sections 9 through 15**.

Whether the TABOR refund mechanisms are triggered and, if so, how many of the mechanisms are triggered depends on the amount of remaining excess state revenues as follows:

- If remaining excess state revenues are less than or equal to \$300 million, TABOR refunds are distributed only through the tiered or flat sales tax refund mechanism;
- If remaining excess state revenues are greater than \$300 million but less than or equal to \$1.5 billion, TABOR

refunds are distributed first through the income tax rate reduction and then through the tiered or flat sales tax refund mechanism; and

- If remaining excess state revenues are greater than \$1.5 billion, TABOR refunds are distributed first through the income tax rate reduction, next through the sales and use tax rate reduction, and finally through the tiered or flat sales tax refund mechanism.

If there are not sufficient excess state revenues to pay the full amount of an income tax rate reduction refund mechanism or the sales and use tax rate reduction TABOR refund mechanism, then the affected refund mechanism is not triggered.

The bill also repeals statutory sections related to TABOR refund mechanisms that are no longer applicable, including the 4-tier sales tax refund mechanism to refund excess revenues from fiscal year 1997-98, and makes conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-627, **amend**  
3 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

4 **39-22-627. Temporary adjustment of rate of income tax -**  
5 **refund of excess state revenues - authority of executive director -**  
6 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for  
7 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,  
8 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the  
9 limitation on state fiscal year spending imposed by section 20 (7)(a) of  
10 article X of the state constitution that are required to be refunded for such  
11 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~  
12 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director  
13 shall temporarily reduce the state income tax rate for the income tax year  
14 commencing during the calendar year in which the state fiscal year ended  
15 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT  
16 PERCENTAGE of the federal taxable income of every individual, estate,

1 trust, and corporation, as specified in sections 39-22-104 (1.7) and  
2 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~  
3 ~~income of every individual, estate, trust, and corporation~~ 39-22-301  
4 (1)(d)(I), AS A METHOD to refund excess state revenues that are required  
5 to be refunded pursuant to section 20 (7)(d) of article X of the state  
6 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)  
7 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX  
8 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE  
9 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF  
10 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED  
11 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE  
12 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF  
13 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT  
14 EXCEED THE AMOUNT OF EXCESS STATE REVENUES LESS THE AMOUNT OF  
15 REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS, BY AN APPLICABLE  
16 AMOUNT SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION, SUBJECT TO  
17 THE ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS  
18 SECTION.

19 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS  
20 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR  
21 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS  
22 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

23 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
24 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX  
25 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN  
26 ONE-HUNDREDTHS OF ONE PERCENT;

27 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER

1 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN  
2 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE  
3 ONE-HUNDREDTHS OF ONE PERCENT;

4 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
5 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
6 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
7 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

8 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
9 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
10 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE  
11 ONE-HUNDREDTHS OF ONE PERCENT;

12 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
13 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION  
14 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
15 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

16 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
17 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX  
18 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

19 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
20 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS  
21 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS  
22 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
23 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
24 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
25 EXCESS STATE REVENUE MUST BE REFUNDED.

26 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this  
27 section to take effect ONLY IF the amount of EXCESS state revenues

1 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS  
2 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of  
3 the amount of reimbursement for property tax revenues lost as a result of  
4 the property tax exemptions allowed by part 2 of article 3 of this title 39  
5 paid by the state treasurer to each county treasurer as required by section  
6 39-3-207 (4) for the property tax year that commenced during the  
7 specified state fiscal year plus the estimated amount by which state  
8 revenues would be decreased as the result of a THE APPLICABLE reduction  
9 in the state income tax rate. ~~from four and sixty-three one-hundredths~~  
10 ~~percent to four and one-half percent of federal taxable income, as~~  
11 ~~determined pursuant to this section~~

12 (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
13 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS  
14 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE  
15 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND  
16 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX  
17 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES  
18 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE  
19 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
20 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE  
21 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO  
22 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT  
23 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED  
24 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002  
25 AND 39-22-2003.

26 (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,  
27 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE

1 INCOME TAX RATE FROM FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF  
2 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,  
3 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND  
4 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS  
5 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,  
6 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS  
7 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO  
8 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE  
9 FISCAL YEAR 2023-24.

10 (2) Except as otherwise provided in subsection (3) of this section,  
11 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each  
12 October 1 thereafter of any calendar year during which it is certified in  
13 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state  
14 revenues exceed the limitation on state fiscal year spending imposed by  
15 section 20 (7)(a) of article X of the state constitution for the state fiscal  
16 year ending in that calendar year and exceed any amount that the voters  
17 statewide have authorized the state to retain and spend for the state fiscal  
18 year ending in that calendar year, the executive director shall estimate the  
19 amount by which state revenues would be decreased as the result of a  
20 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN  
21 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) of this section in the state  
22 income tax rate ~~from four and sixty-three one-hundredths percent to four~~  
23 ~~and one-half percent of federal taxable income~~ for the income tax year  
24 commencing during the calendar year in which the state fiscal year ended.

25 (3) If one or more ballot questions are submitted to the voters at  
26 a statewide election to be held in November of any given calendar year  
27 that seek authorization for the state to retain and spend all or any portion



1 of the amount of excess state revenues for the state fiscal year ending  
2 during said calendar year, the executive director shall not reduce the state  
3 income tax rate until the results of said election are known so that the  
4 state income tax rate may be reduced only if, after the results of said  
5 election, the amount of excess state revenues required to be refunded for  
6 the state fiscal year exceeds the total of the amount of reimbursement for  
7 property tax revenues lost as a result of the property tax exemptions  
8 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
9 each county treasurer as required by section 39-3-207 (4) for the property  
10 tax year that commenced during the specified state fiscal year plus the  
11 estimated amount by which state revenues would be decreased as a result  
12 of a THE APPLICABLE reduction in the state income tax rate from four and  
13 sixty-three one-hundredths percent to four and one-half percent of federal  
14 taxable income pursuant to this section.

15 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~  
16 ~~provisions of this section shall be made by rules promulgated by the~~  
17 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

18 (6) If, based on the financial report prepared by the controller in  
19 accordance with section 24-77-106.5, the controller certifies that the  
20 amount of the state revenues for any state fiscal year commencing on or  
21 after July 1, 2017, exceeds the limitation on state fiscal year spending  
22 imposed by section 20 (7)(a) of article X of the state constitution for that  
23 state fiscal year and exceeds the amount of excess state revenues that the  
24 voters statewide have authorized the state to retain and spend for that  
25 state fiscal year by less than the total of the amount of reimbursement for  
26 property tax revenues lost as a result of the property tax exemptions  
27 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to

1 each county treasurer as required by section 39-3-207 (4) for the property  
2 tax year that commenced during the specified state fiscal year plus the  
3 estimated amount by which state revenues would be decreased as the  
4 result of a THE APPLICABLE reduction in the state income tax rate from  
5 ~~four and sixty-three one-hundredths percent to four and one-half percent~~  
6 ~~of federal taxable income~~ as calculated by the executive director pursuant  
7 to subsection (2) of this section, then the reduction in the state income tax  
8 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS not ~~be~~  
9 allowed for the income tax year commencing during the calendar year in  
10 which the state fiscal year ended.

11 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
12 REQUIRES:

13 (a) "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
14 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
15 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
16 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
17 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
18 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
19 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
20 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

21 (b) "REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS" MEANS  
22 THE AMOUNT OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS  
23 A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF  
24 ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH  
25 COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE  
26 PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE  
27 FISCAL YEAR.

1 (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

2 **SECTION 2.** In Colorado Revised Statutes, 39-22-627, **amend**  
3 (1), (2), (3), and (6); **repeal** (5)(d); and **add** (10) and (11) as follows:

4 **39-22-627. Temporary adjustment of rate of income tax -**  
5 **refund of excess state revenues - authority of executive director -**

6 **definition - repeal.** (1) (a) Subject to the provisions of this section, if, for  
7 any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2024,

8 BUT BEFORE JULY 1, 2034, the amount of state revenues in excess of the  
9 limitation on state fiscal year spending imposed by section 20 (7)(a) of

10 article X of the state constitution that are required to be refunded for such  
11 state fiscal year exceeds the amount specified in ~~paragraph (b) of this~~

12 ~~subsection (1)~~ SUBSECTION (1)(b) OF THIS SECTION, the executive director  
13 shall temporarily reduce the state income tax rate for the income tax year

14 commencing during the calendar year in which the state fiscal year ended  
15 from ~~four and sixty-three one-hundredths percent~~ ITS CURRENT

16 PERCENTAGE of the federal taxable income of every individual, estate,  
17 trust, and corporation, as specified in sections 39-22-104 (1.7) and

18 ~~39-22-301 (1)(d)(I)(I), to four and one-half percent of the federal taxable~~  
19 ~~income of every individual, estate, trust, and corporation~~ 39-22-301

20 (1)(d)(I), AS A METHOD to refund excess state revenues that are required  
21 to be refunded pursuant to section 20 (7)(d) of article X of the state

22 constitution. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II)  
23 OF THIS SECTION, THE STATE INCOME TAX RATE FOR THE INCOME TAX

24 YEAR COMMENCING DURING THE CALENDAR YEAR IN WHICH THE STATE  
25 FISCAL YEAR ENDED IS REDUCED, DEPENDING ON THE TOTAL AMOUNT OF

26 EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A SPECIFIED  
27 STATE FISCAL YEAR PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE

1 STATE CONSTITUTION AS DETERMINED BY THE ANNUAL CERTIFICATION OF  
2 EXCESS STATE REVENUES REQUIRED BY SECTION 24-77-106.5 THAT  
3 EXCEED THE AMOUNT OF EXCESS STATE REVENUES LESS THE AMOUNT OF  
4 REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS, BY AN APPLICABLE  
5 AMOUNT SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION, SUBJECT TO  
6 THE ANNUAL ADJUSTMENTS REQUIRED BY SUBSECTION (1)(a)(II) OF THIS  
7 SECTION.

8 (I) (A) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS  
9 GREATER THAN THREE HUNDRED MILLION DOLLARS BUT LESS THAN OR  
10 EQUAL TO FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS  
11 REDUCED BY FOUR ONE-HUNDREDTHS OF ONE PERCENT;

12 (B) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
13 THAN FIVE HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SIX  
14 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY SEVEN  
15 ONE-HUNDREDTHS OF ONE PERCENT;

16 (C) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
17 THAN SIX HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO SEVEN  
18 HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY NINE  
19 ONE-HUNDREDTHS OF ONE PERCENT;

20 (D) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
21 THAN SEVEN HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
22 EIGHT HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
23 ELEVEN ONE-HUNDREDTHS OF ONE PERCENT;

24 (E) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
25 THAN EIGHT HUNDRED MILLION DOLLARS BUT LESS THAN OR EQUAL TO  
26 ONE BILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY TWELVE  
27 ONE-HUNDREDTHS OF ONE PERCENT;

1 (F) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
2 THAN ONE BILLION DOLLARS BUT LESS THAN OR EQUAL TO ONE BILLION  
3 FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX RATE IS REDUCED BY  
4 THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT; AND

5 (G) IF THE AMOUNT OF SUCH EXCESS STATE REVENUES IS GREATER  
6 THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE INCOME TAX  
7 RATE IS REDUCED BY FIFTEEN ONE-HUNDREDTHS OF ONE PERCENT.

8 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
9 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE EXCESS  
10 STATE REVENUE AMOUNTS SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS  
11 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
12 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
13 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
14 EXCESS STATE REVENUE MUST BE REFUNDED.

15 (b) (I) ~~In order for~~ The provisions of subsection (1)(a) of this  
16 section ~~to~~ take effect ONLY IF the amount of EXCESS state revenues  
17 required to be refunded for the specified state fiscal year, ~~must exceed~~ AS  
18 OUTLINED IN SUBSECTION (1)(a)(I) OF THIS SECTION, EXCEEDS the total of  
19 the amount of reimbursement for property tax revenues lost as a result of  
20 the property tax exemptions allowed by part 2 of article 3 of this title 39  
21 paid by the state treasurer to each county treasurer as required by section  
22 39-3-207 (4) for the property tax year that commenced during the  
23 specified state fiscal year plus the estimated amount by which state  
24 revenues would be decreased as the result of a THE APPLICABLE reduction  
25 in the state income tax rate. ~~from four and sixty-three one-hundredths~~  
26 ~~percent to four and one-half percent of federal taxable income, as~~  
27 ~~determined pursuant to this section~~

1           (II) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
2 1, 2025, IF THE PERMANENT STATE INCOME TAX RATE THEN IN EFFECT IS  
3 FOUR AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OR LESS OF THE  
4 FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST, AND  
5 CORPORATION, ANY OTHERWISE APPLICABLE TEMPORARY INCOME TAX  
6 RATE REDUCTION OUTLINED IN SUBSECTION (1)(a) OF THIS SECTION DOES  
7 NOT TAKE EFFECT; EXCEPT THAT, IF THE AMOUNT OF EXCESS STATE  
8 REVENUES REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
9 EQUAL TO OR GREATER THAN TWO BILLION DOLLARS, THE EXECUTIVE  
10 DIRECTOR SHALL TEMPORARILY REDUCE THE STATE INCOME TAX RATE TO  
11 THE EXTENT NECESSARY TO REFUND ALL EXCESS STATE REVENUES THAT  
12 WOULD NOT OTHERWISE BE REFUNDED BY ANOTHER METHOD ESTABLISHED  
13 BY LAW OTHER THAN THE METHODS SET FORTH IN SECTIONS 39-22-2002  
14 AND 39-22-2003.

15           (c) FOR THE INCOME TAX YEAR BEGINNING ON JANUARY 1, 2024,  
16 THE EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE THE STATE  
17 INCOME TAX RATE FROM FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF  
18 THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL, ESTATE, TRUST,  
19 AND CORPORATION, AS SPECIFIED IN SECTIONS 39-22-104 (1.7) AND  
20 39-22-301 (1)(d)(I), TO FOUR AND TWENTY-FIVE ONE-HUNDREDTHS  
21 PERCENT OF THE FEDERAL TAXABLE INCOME OF EVERY INDIVIDUAL,  
22 ESTATE, TRUST, AND CORPORATION, AS A METHOD TO REFUND EXCESS  
23 STATE REVENUES THAT ARE REQUIRED TO BE REFUNDED PURSUANT TO  
24 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION FOR STATE  
25 FISCAL YEAR 2023-24.

26           (2) Except as otherwise provided in subsection (3) of this section,  
27 no later than ~~October 1, 2011~~, OCTOBER 1, 2024, and no later than each

1 October 1 thereafter of any calendar year during which it is certified in  
2 accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~ that state  
3 revenues exceed the limitation on state fiscal year spending imposed by  
4 section 20 (7)(a) of article X of the state constitution for the state fiscal  
5 year ending in that calendar year and exceed any amount that the voters  
6 statewide have authorized the state to retain and spend for the state fiscal  
7 year ending in that calendar year, the executive director shall estimate the  
8 amount by which state revenues would be decreased as the result of a  
9 ~~reduction~~ THE APPLICABLE PERCENTAGE REDUCTION LISTED IN  
10 SUBSECTION (1)(a)(I), (1)(b)(II), OR (1)(c) of this section in the state  
11 income tax rate ~~from four and sixty-three one-hundredths percent to four~~  
12 ~~and one-half percent of federal taxable income~~ for the income tax year  
13 commencing during the calendar year in which the state fiscal year ended.

14 (3) If one or more ballot questions are submitted to the voters at  
15 a statewide election to be held in November of any given calendar year  
16 that seek authorization for the state to retain and spend all or any portion  
17 of the amount of excess state revenues for the state fiscal year ending  
18 during said calendar year, the executive director shall not reduce the state  
19 income tax rate until the results of said election are known so that the  
20 state income tax rate may be reduced only if, after the results of said  
21 election, the amount of excess state revenues required to be refunded for  
22 the state fiscal year exceeds the total of the amount of reimbursement for  
23 property tax revenues lost as a result of the property tax exemptions  
24 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
25 each county treasurer as required by section 39-3-207 (4) for the property  
26 tax year that commenced during the specified state fiscal year plus the  
27 estimated amount by which state revenues would be decreased as a result

1 of a THE APPLICABLE reduction in the state income tax rate ~~from four and~~  
2 ~~sixty-three one-hundredths percent to four and one-half percent of federal~~  
3 ~~taxable income~~ pursuant to this section.

4 (5) (d) ~~Any income tax rate adjustment made pursuant to the~~  
5 ~~provisions of this section shall be made by rules promulgated by the~~  
6 ~~executive director in accordance with article 4 of title 24, C.R.S.~~

7 (6) If, based on the financial report prepared by the controller in  
8 accordance with section 24-77-106.5, the controller certifies that the  
9 amount of the state revenues for any state fiscal year commencing on or  
10 after July 1, 2017, exceeds the limitation on state fiscal year spending  
11 imposed by section 20 (7)(a) of article X of the state constitution for that  
12 state fiscal year and exceeds the amount of excess state revenues that the  
13 voters statewide have authorized the state to retain and spend for that  
14 state fiscal year by less than the total of the amount of reimbursement for  
15 property tax revenues lost as a result of the property tax exemptions  
16 allowed by part 2 of article 3 of this title 39 paid by the state treasurer to  
17 each county treasurer as required by section 39-3-207 (4) for the property  
18 tax year that commenced during the specified state fiscal year plus the  
19 estimated amount by which state revenues would be decreased as the  
20 result of a THE APPLICABLE reduction in the state income tax rate ~~from~~  
21 ~~four and sixty-three one-hundredths percent to four and one-half percent~~  
22 ~~of federal taxable income~~ as calculated by the executive director pursuant  
23 to subsection (2) of this section, then the reduction in the state income tax  
24 rate allowed pursuant to subsection (1) of this section ~~shall~~ IS not be  
25 allowed for the income tax year commencing during the calendar year in  
26 which the state fiscal year ended.

27 (10) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE



1     REQUIRES:

2             (a) "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
3 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
4 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20  
5 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
6 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
7 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
8 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
9 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

10            (b) "REIMBURSEMENT FOR PROPERTY TAX EXEMPTIONS" MEANS  
11 THE AMOUNT OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS  
12 A RESULT OF BOTH THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2  
13 OF ARTICLE 3 OF THIS TITLE 39 AND THE REDUCED VALUATION FOR  
14 ASSESSMENT OF QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY  
15 PURSUANT TO SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS PAID BY THE  
16 STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION  
17 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT  
18 COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR.

19            (11) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

20            **SECTION 3.** In Colorado Revised Statutes, 39-22-104, amend  
21 (3)(p.5)(II) as follows:

22            **39-22-104. Income tax imposed on individuals, estates, and**  
23 **trusts - single rate - report - legislative declaration - definitions -**  
24 **repeal.** (3) There shall be added to the federal taxable income:

25            (p.5) (II) For the 2023-24 state fiscal year and state fiscal years  
26 thereafter, the general assembly shall annually appropriate an amount at  
27 least equal to the amount of revenue generated by the addition to federal

1 taxable income described in subsection (3)(p.5)(I) of this section,  
2 CALCULATED WITHOUT REGARD TO ANY TEMPORARY RATE REDUCTION  
3 PURSUANT TO SECTION 39-22-627, but not more than the amount required,  
4 to fully fund the direct and indirect costs of implementing the healthy  
5 school meals for all program as provided in section 22-82.9-209. The  
6 provisions of subsection (3)(p.5)(I) of this section constitute a  
7 voter-approved revenue change, approved by the voters at the statewide  
8 election in November of 2022, and the revenue generated by this  
9 voter-approved revenue change may be collected, retained, appropriated,  
10 and spent without subsequent voter approval, notwithstanding any other  
11 limits in the state constitution or law. The addition to federal taxable  
12 income described in subsection (3)(p.5)(I) of this section does not apply  
13 for an income tax year that commences after the healthy school meals for  
14 all program, or any successor program, is repealed. Upon repeal of the  
15 healthy school meals for all program, or any successor program, the  
16 commissioner of education shall promptly notify the executive director  
17 in writing that the program is repealed.

18           **SECTION 4.** In Colorado Revised Statutes, 39-22-2002, **amend**  
19 (1), (2), (3) introductory portion, (4), (5)(b), and (5)(c); **repeal** (3)(a),  
20 (3)(b), and (7); and **add** (3.5) as follows:

21           **39-22-2002. Fiscal years commencing on or after July 1, 1998**  
22 **- state sales tax refund - authority of executive director - repeal.**

23 (1) If, for any state fiscal year commencing on or after July 1, 1998, the  
24 amount of state revenues exceeds the limitation on state fiscal year  
25 spending imposed by section 20 (7)(a) of article X of the state  
26 constitution and voters statewide either have not authorized the state to  
27 retain and spend all of the excess revenues for that fiscal year or have

1 authorized the state to retain and spend only a portion of the excess  
2 revenues for that fiscal year, the executive director shall, if the amount of  
3 the identical individual refund calculated pursuant to ~~paragraph (a) of~~  
4 ~~subsection (2)~~ SUBSECTION (2)(a) of this section exceeds ~~fifteen dollars~~  
5 THE IDENTICAL REFUND THRESHOLD, for the taxable year commencing on  
6 or after January 1 of the calendar year in which that fiscal year ended, but  
7 prior to January 1 of the subsequent calendar year, calculate a temporary  
8 state sales tax refund in accordance with the provisions of this section to  
9 refund the amount of excess state revenues. ~~that is not refunded by~~  
10 ~~another method established by law~~

11 (2) (a) ~~Subject to the provisions of paragraph (b) of subsection (7)~~  
12 ~~of this section, as applicable,~~ For the taxable year commencing on or after  
13 January 1 of the calendar year in which that fiscal year ended, but prior  
14 to January 1 of the subsequent calendar year, the executive director shall  
15 divide the total amount of excess state revenues ~~that is not refunded by~~  
16 ~~another method established by law and is required to be refunded by the~~  
17 number of qualified individuals expected to claim a refund ~~in order to~~  
18 determine the amount of the refund that each such qualified individual  
19 would receive if each individual received an identical refund.

20 (b) If the amount of the identical individual refund calculated  
21 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS  
22 SECTION is less than or equal to ~~fifteen dollars~~ THE IDENTICAL REFUND  
23 THRESHOLD, the executive director shall allow each qualified individual  
24 an identical refund in the manner set forth in section 39-22-2003 (3)(a)  
25 and (3)(b).

26 (3) As used in this section, unless the context otherwise requires,  
27 "excess state revenues" means the total ~~combined~~ amount of THE STATE

1 REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE LIMITATION ON  
2 STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE  
3 X OF THE STATE CONSTITUTION, THAT VOTERS STATEWIDE HAVE NOT  
4 AUTHORIZED THE STATE TO RETAIN AND SPEND, THAT THE STATE IS  
5 REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE  
6 STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT FOR AMOUNTS  
7 SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8, AND THAT ARE NOT  
8 REFUNDED BY ANOTHER METHOD ESTABLISHED BY LAW.

9 (a) ~~Excess revenues that voters statewide have not authorized the~~  
10 ~~state to retain and spend and that are required to be refunded pursuant to~~  
11 ~~section 20 (7)(d) of article X of the state constitution and that are not~~  
12 ~~refunded by another method established by law for said fiscal year ending~~  
13 ~~in that calendar year;~~

14 (b) ~~Excess revenues that voters statewide did not authorize the~~  
15 ~~state to retain and spend and were required to be refunded pursuant to~~  
16 ~~section 20 (7)(d) of article X of the state constitution for any other fiscal~~  
17 ~~year and that were not refunded by another method established by law~~  
18 ~~prior to said fiscal year, but that were not refunded by the state as~~  
19 ~~required; and~~

20 (3.5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
21 REQUIRES, "IDENTICAL REFUND THRESHOLD" MEANS THE LOWEST AMOUNT  
22 LISTED FOR COLORADO IN THE MOST RECENT TABLE PRESCRIBED  
23 PURSUANT TO SECTION 164 (b)(5)(H)(ii) OF THE INTERNAL REVENUE CODE;  
24 EXCEPT THAT IF, BY SEPTEMBER 1 OF ANY CALENDAR YEAR, THE  
25 EXECUTIVE DIRECTOR HAS NOT RECEIVED ADVICE FROM THE INTERNAL  
26 REVENUE SERVICE THAT SUCH AN IDENTICAL REFUND IS REGARDED AS A  
27 REFUND OF SALES TAX AND NOT AS AN ACCESSION TO WEALTH, THE

1 IDENTICAL REFUND THRESHOLD IS FIFTEEN DOLLARS.

2 (4) No later than October 1 of any given calendar year  
3 commencing on or after January 1, 1999, during which the controller  
4 certifies, in accordance with the provisions of section 24-77-106.5, ~~C.R.S.~~  
5 that state revenues exceed the limitation on state fiscal year spending  
6 imposed by section 20 (7)(a) of article X of the state constitution for the  
7 fiscal year ending in that calendar year, the executive director shall, if the  
8 amount of the identical individual refund calculated pursuant to  
9 subsection (2) of this section exceeds ~~fifteen dollars~~ THE IDENTICAL  
10 REFUND THRESHOLD, calculate the income classifications and the amount  
11 of the refund allowed for each income classification pursuant to section  
12 39-22-2003 (3) for the taxable year commencing during said fiscal year  
13 that would refund the amount of excess state revenues that is not refunded  
14 by another method established by law.

15 (5) If one or more ballot questions are submitted to the voters at  
16 a statewide election to be held in November of any given calendar year  
17 commencing on or after January 1, 1999, that seek authorization for the  
18 state to retain and spend all or any portion of the amount of excess  
19 revenues for the fiscal year ending during said calendar year, no later than  
20 October 1 of said calendar year, the executive director shall, in addition  
21 to the calculations required by subsection (4) of this section:

22 (b) If the amount of any identical refund calculated pursuant to  
23 ~~subparagraph (I) of paragraph (a) of this subsection (5)~~ SUBSECTION  
24 (5)(a)(I) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND  
25 THRESHOLD, calculate income classifications and the amount of the  
26 refund to be allowed for each income classification pursuant to section  
27 39-22-2003 (3) for the taxable year commencing during said fiscal year

1 that would refund the amount of excess state revenues, if any, required to  
2 be refunded if one or more of such ballot questions are approved by  
3 voters statewide; ~~and that is not refunded by another method established~~  
4 ~~by law~~

5 (c) If the amount of the identical refund calculated pursuant to  
6 ~~subparagraph (H) of paragraph (a) of this subsection (5)~~ SUBSECTION  
7 (5)(a)(II) OF THIS SECTION exceeds ~~fifteen dollars~~ THE IDENTICAL REFUND  
8 THRESHOLD, calculate income classifications and the amount of the  
9 refund to be allowed for each income classification pursuant to section  
10 39-22-2003 (3) for the taxable year commencing during said fiscal year  
11 that would refund the amount of excess state revenues, if any, required to  
12 be refunded if all of such ballot questions are not approved by voters  
13 statewide. ~~and that is not refunded by another method established by law~~

14 (7) (a) ~~The amount of any sales tax refund calculated pursuant to~~  
15 ~~the provisions of this section shall be published in rules promulgated by~~  
16 ~~the executive director in accordance with article 4 of title 24, C.R.S., and~~  
17 ~~shall be included in income tax forms for that taxable year.~~

18 (b) ~~If one or more ballot questions are submitted to the voters at~~  
19 ~~a statewide election to be held in November of any calendar year~~  
20 ~~commencing on or after January 1, 1999, that seek authorization for the~~  
21 ~~state to retain and spend all or any portion of the amounts of excess state~~  
22 ~~revenues for the fiscal year ending during said calendar year, the~~  
23 ~~executive director shall not publish rules or income tax forms containing~~  
24 ~~any sales tax refund calculated pursuant to this section until such rules~~  
25 ~~and forms may be published to reflect the impact of the results of said~~  
26 ~~election on the amount of the refund to be allowed pursuant to section~~  
27 ~~39-22-2003 and that is not refunded by another method established by~~

1 law.

2 **SECTION 5.** In Colorado Revised Statutes, 39-22-2003, **amend**  
3 (1)(b)(I), (2), (3), (5)(a)(I), (5)(b), (5)(c), and (10); and **repeal** (1)(b)(II),  
4 (1)(b)(III), (5)(a)(II), (8), and (9); and **add** (1.7) and (9.5) as follows:

5 **39-22-2003. State sales tax refund - offset against state income**  
6 **tax - qualified individuals - definitions.** (1) (b) "Qualified individual"  
7 does not include:

8 (I) Any natural person who was convicted of a felony and who  
9 served a sentence of incarceration in a correctional facility operated by or  
10 under contract with the department of corrections or ~~in a county or~~  
11 ~~municipal jail awaiting transfer to the department of corrections pursuant~~  
12 ~~to section 16-11-308, C.R.S., or in both such facility and jail~~ THE  
13 FEDERAL BUREAU OF PRISONS for a total of one hundred eighty days or  
14 more during the fiscal year ending during the taxable year, regardless of  
15 whether such person meets the qualifications set forth in ~~paragraph (a) of~~  
16 ~~this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION.

17 (II) ~~Any natural person who is convicted of a misdemeanor or is~~  
18 ~~adjudicated for an offense that would constitute a misdemeanor if~~  
19 ~~committed by an adult and who is incarcerated in a county or municipal~~  
20 ~~jail for a total of one hundred eighty days or more during the fiscal year~~  
21 ~~ending during the taxable year, regardless of whether such person meets~~  
22 ~~the qualifications set forth in paragraph (a) of this subsection (1);~~

23 (III) ~~Any natural person under eighteen years of age who is~~  
24 ~~adjudicated for an offense that would constitute a felony if committed by~~  
25 ~~an adult and who was committed to the department of human services for~~  
26 ~~a total of one hundred eighty days or more during the fiscal year ending~~  
27 ~~during the taxable year, regardless of whether such person meets the~~

1 ~~qualifications set forth in paragraph (a) of this subsection (1).~~

2 (1.7) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
3 REQUIRES:

4 (a) "EXCESS STATE REVENUES" HAS THE SAME MEANING AS SET  
5 FORTH IN SECTION 39-22-2002 (3).

6 (b) "IDENTICAL REFUND THRESHOLD" HAS THE SAME MEANING AS  
7 SET FORTH IN SECTION 39-22-2002 (3.5).

8 (2) With respect to the taxable year commencing on January 1,  
9 1999, and ending December 31, 1999, and for each subsequent taxable  
10 year, there ~~shall be~~ IS allowed to each qualified individual a state sales tax  
11 refund in an amount specified in subsection (3) of this section to be  
12 claimed in the manner specified in subsection (4) of this section if there  
13 were excess state revenues for the fiscal year ending in that tax year. ~~that~~  
14 ~~voters statewide have not authorized the state to retain and spend and that~~  
15 ~~are required to be refunded pursuant to section 20 (7)(d) of article X of~~  
16 ~~the state constitution.~~

17 (3) The amount of the refund allowed under this section ~~shall be~~  
18 IS as follows:

19 (a) For a qualified individual filing a single return OR FOR A  
20 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO  
21 IS NOT QUALIFIED, the amount of the identical individual sales tax refund  
22 calculated pursuant to section 39-22-2002 (2) or (5)(a) if the amount of  
23 such identical individual refund is less than or equal to ~~fifteen dollars~~ THE  
24 IDENTICAL REFUND THRESHOLD;

25 (b) For any two qualified individuals filing a joint return, double  
26 the amount of the identical individual sales tax refund calculated pursuant  
27 to section 39-22-2002 (2) or (5)(a) if the amount of such identical



1 individual refund is less than or equal to ~~fifteen dollars~~ THE IDENTICAL  
2 REFUND THRESHOLD;

3 (c) For a qualified individual filing a single return OR FOR A  
4 QUALIFIED INDIVIDUAL FILING A JOINT RETURN WITH AN INDIVIDUAL WHO  
5 IS NOT QUALIFIED, if the amount of the identical individual sales tax  
6 refund calculated pursuant to section 39-22-2002 (2) or (5)(a) exceeds  
7 ~~fifteen dollars~~ THE IDENTICAL REFUND THRESHOLD:

8 (I) If the qualified individual's adjusted gross income for the tax  
9 year is less than or equal to twenty-five thousand dollars, the refund ~~shall~~  
10 ~~be in~~ IS an amount equal to the amount of excess state revenues required  
11 to be refunded pursuant to subsection (1) of this section, multiplied by  
12 twenty-five percent, divided by the estimated number of said qualified  
13 individuals expected to claim the credit for that taxable year;

14 (II) If the qualified individual's adjusted gross income for the tax  
15 year is greater than twenty-five thousand dollars but not more than fifty  
16 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount  
17 of excess state revenues required to be refunded pursuant to subsection  
18 (1) of this section, multiplied by twenty-three percent, divided by the  
19 estimated number of said qualified individuals expected to claim the  
20 credit for that taxable year;

21 (III) If the qualified individual's adjusted gross income for the tax  
22 year is greater than fifty thousand dollars but not more than seventy-five  
23 thousand dollars, the refund ~~shall be in~~ IS an amount equal to the amount  
24 of excess state revenues required to be refunded pursuant to subsection  
25 (1) of this section, multiplied by nineteen percent, divided by the  
26 estimated number of said qualified individuals expected to claim the  
27 credit for that taxable year;

1 (IV) If the qualified individual's adjusted gross income for the tax  
2 year is greater than seventy-five thousand dollars but not more than one  
3 hundred thousand dollars, the refund ~~shall be in~~ IS an amount equal to the  
4 amount of excess state revenues required to be refunded pursuant to  
5 subsection (1) of this section, multiplied by twelve percent, divided by the  
6 estimated number of said qualified individuals expected to claim the  
7 credit for that taxable year;

8 (V) If the qualified individual's adjusted gross income for the tax  
9 year is greater than one hundred thousand dollars but not more than one  
10 hundred twenty-five thousand dollars, the refund ~~shall be in~~ IS an amount  
11 equal to the amount of excess state revenues required to be refunded  
12 pursuant to subsection (1) of this section, multiplied by six percent,  
13 divided by the estimated number of said qualified individuals expected to  
14 claim the credit for that taxable year;

15 (VI) If the qualified individual's adjusted gross income for the tax  
16 year is greater than one hundred twenty-five thousand dollars, the refund  
17 ~~shall be in~~ IS an amount equal to the amount of excess state revenues  
18 required to be refunded pursuant to subsection (1) of this section,  
19 multiplied by fifteen percent, divided by the estimated number of said  
20 qualified individuals expected to claim the credit for that taxable year;

21 (d) For two qualified individuals filing a joint return, if the  
22 amount of the identical individual sales tax refund calculated pursuant to  
23 section 39-22-2002 (2) or (5)(a) exceeds ~~fifteen dollars~~ THE IDENTICAL  
24 REFUND THRESHOLD, the amount of the refund ~~shall be~~ IS based upon the  
25 aggregate adjusted gross income of the qualified individuals and ~~shall be~~  
26 IS an amount equal to double the amount of the refund allowed under  
27 paragraph (c) of this subsection (3) for such aggregate income amount.

1           (5) (a) (I) ~~Except as otherwise provided in subparagraph (H) of~~  
2 ~~this paragraph (a), any refund allowed pursuant to this section shall be~~  
3 ~~claimed by A qualified individual as defined in subparagraph (I) or (H)~~  
4 ~~of paragraph (a) of subsection (1) SUBSECTION (1)(a)(I) OR (1)(a)(III) of~~  
5 ~~this section MAY CLAIM A REFUND ALLOWED BY THIS SECTION by timely~~  
6 ~~filing an income tax return with the department of revenue for a taxable~~  
7 ~~year for which the refund is allowed NO LATER THAN OCTOBER 15 OF THE~~  
8 ~~CALENDAR YEAR FOLLOWING THE TAXABLE YEAR FOR WHICH THE REFUND~~  
9 ~~IS BEING CLAIMED, in compliance with the provisions of this article~~  
10 ~~ARTICLE 22.~~

11           (II) ~~Any refund allowed pursuant to this section shall be claimed~~  
12 ~~by a qualified individual as defined in subparagraph (I) or (H) of~~  
13 ~~paragraph (a) of subsection (1) of this section or by a qualified individual~~  
14 ~~that is required to file a Colorado individual income tax return for that tax~~  
15 ~~year pursuant to section 39-22-601 (1)(a) who is granted an extension of~~  
16 ~~time to file an income tax return by filing an income tax return with the~~  
17 ~~department of revenue no later than October 15 of the calendar year~~  
18 ~~following the taxable year for which the refund is being claimed. Such~~  
19 ~~qualified individual shall not be required to pay all or any portion of the~~  
20 ~~qualified individual's net tax liability due prior to October 15 of said~~  
21 ~~calendar year in order to be granted an extension of time to file said tax~~  
22 ~~return; except that, pursuant to section 39-22-621, such qualified~~  
23 ~~individual may be subject to a late payment penalty and interest on any~~  
24 ~~net income tax liability not paid by April 15 of said calendar year.~~

25           (b) ~~Except as otherwise provided in subparagraph (H) of~~  
26 ~~paragraph (a) of this subsection (5), any refund allowed pursuant to this~~  
27 ~~section shall be claimed by A qualified individual as defined in~~

1 ~~subparagraph (H) or (IV) of paragraph (a) of subsection (1)~~ SUBSECTION  
2 ~~(1)(a)(II) OR (1)(a)(IV) of this section~~ MAY CLAIM A REFUND ALLOWED BY  
3 THIS SECTION by filing an income tax return for the taxable year for which  
4 the refund is allowed with the department of revenue no later than ~~April~~  
5 ~~15~~ OCTOBER 15 of the calendar year following the tax year for which the  
6 refund is being claimed. ~~The department of revenue shall not allow said~~  
7 ~~refund claimed by a qualified individual as defined in subparagraph (H)~~  
8 ~~or (IV) of paragraph (a) of subsection (1) of this section on any income~~  
9 ~~tax return filed with the department of revenue after April 15 of the~~  
10 ~~calendar year following the tax year for which the refund is being~~  
11 ~~claimed.~~

12 (c) (I) Notwithstanding any provision of ~~paragraph (b) of this~~  
13 ~~subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION to the contrary, a  
14 qualified individual as defined in ~~subparagraph (H) or (IV) of paragraph~~  
15 ~~(a) of subsection (1)~~ SUBSECTION (1)(a)(II) OR (1)(a)(IV) of this section  
16 who claims a property tax assistance grant pursuant to section 39-31-101  
17 or a heat or fuel expenses assistance grant pursuant to section 39-31-104  
18 may claim a refund authorized by this section on the assistance grant  
19 application form described in section 39-31-102 (2). Claiming a refund  
20 on such assistance grant application form ~~shall be~~ IS in lieu of claiming  
21 the refund on an income tax return pursuant to ~~paragraph (b) of this~~  
22 ~~subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION. Any refund claimed  
23 pursuant to this ~~paragraph (c)~~ SUBSECTION (5)(c) ~~shall~~ MUST be claimed  
24 on or before ~~April 15~~ OCTOBER 15 of the calendar year following the tax  
25 year for which the refund is being claimed.

26 (II) The department of revenue shall not allow a refund authorized  
27 by this section that is claimed on an assistance grant application form if:

1 (A) The assistance grant application form is filed after ~~April 15~~  
2 OCTOBER 15 of the calendar year following the tax year for which the  
3 refund is being claimed; or

4 (B) The qualified individual has claimed the refund authorized by  
5 this section on an income tax form filed in accordance with ~~paragraph (b)~~  
6 ~~of this subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION for the tax year  
7 for which the refund is allowed.

8 (8) ~~The state sales tax refund allowed to any qualified individual~~  
9 ~~under this section shall not be reported by the department of revenue as~~  
10 ~~a payment of a refund, credit, or offset of state income taxes to such~~  
11 ~~qualified individual in any information return required to be filed~~  
12 ~~pursuant to federal law.~~

13 (9) (a) ~~The department of revenue shall identify any qualified~~  
14 ~~individual who has been convicted of a felony and who, at the time of~~  
15 ~~filing for a refund pursuant to this section, is incarcerated in a correctional~~  
16 ~~facility operated by or under contract with the department of corrections~~  
17 ~~or in a county or municipal jail awaiting transfer to a correctional facility~~  
18 ~~pursuant to section 16-11-308, C.R.S. The department of revenue shall~~  
19 ~~transfer the amount of any refund owed to said qualified individual to the~~  
20 ~~department of corrections.~~

21 (b) ~~The department of corrections shall transmit the amount of~~  
22 ~~said refund as follows:~~

23 (I) ~~Except as otherwise provided in paragraph (c) of this~~  
24 ~~subsection (9), if the qualified individual is under a valid court order to~~  
25 ~~pay restitution or costs and under a valid court order or administrative~~  
26 ~~order to pay child support then:~~

27 (A) ~~One-half of the refund to the clerk of the district court that~~

1 issued an order for payment of restitution entered pursuant to article 18.5  
2 of title 16, C.R.S., or an order for costs pursuant to section 18-1.3-701,  
3 C.R.S. Such refund shall be credited in the priority specified in section  
4 16-11-101.6 (1), C.R.S.; and

5 (B) ~~One-half of the refund to the department of human services  
6 for application toward the qualified individual's child support obligation  
7 for individuals receiving services pursuant to section 26-13-106, C.R.S.;~~  
8 or

9 (H) ~~If the qualified individual is not under a valid court order or  
10 administrative order to pay child support but is under a valid court order  
11 to pay restitution or costs, then to the clerk of the district court that issued  
12 an order for payment of restitution entered pursuant to article 18.5 of title  
13 16, C.R.S., or an order for costs pursuant to section 18-1.3-701, C.R.S.,  
14 whereupon such refund shall be credited in the priority specified in  
15 section 16-11-101.6 (1), C.R.S.; or~~

16 (HH) ~~If the qualified individual is not under a valid court order to  
17 pay restitution or costs but is under a valid court order or administrative  
18 order to pay child support, then to the department of human services for  
19 application toward the qualified individual's child support obligation for  
20 individuals receiving services pursuant to section 26-13-106, C.R.S.; or~~

21 (IV) ~~If the qualified individual is not under a valid court order or  
22 administrative order to pay child support and is not under a valid court  
23 order to pay restitution or costs, then to the qualified individual subject  
24 to other applicable provisions of law.~~

25 (c) ~~If a refund is transmitted in accordance with the provisions of  
26 subparagraph (I), (H), or (HH) of paragraph (b) of this subsection (9) and  
27 results in excess refund moneys remaining after satisfaction of the~~

1 ~~qualified individual's restitution or child support obligation, the excess~~  
2 ~~refund moneys shall be first applied toward any outstanding restitution~~  
3 ~~obligation or child support obligation of the qualified individual before~~  
4 ~~being returned to the qualified individual.~~

5 (9.5) THE PROVISIONS OF SECTION 39-21-108 (3) APPLY TO THE  
6 REFUND ALLOWED PURSUANT TO THIS PART 20 IN THE SAME MANNER AS  
7 AN OVERPAYMENT OF TAX.

8 (10) The department of corrections ~~the department of human~~  
9 ~~services, and each county of the state, to the extent each such county has~~  
10 ~~the capability within existing resources, shall provide in a timely manner~~  
11 ~~the information requested by the department of revenue necessary to~~  
12 ~~identify the persons specified in paragraph (b) of subsection (1)~~  
13 ~~SUBSECTION (1)(b) of this section. and in subsection (9) of this section~~  
14 ~~The information shall~~ MUST be provided in the form requested by the  
15 ~~department of revenue. The department of revenue shall maintain the~~  
16 ~~confidentiality of any social security number received pursuant to this~~  
17 ~~subsection (10).~~

18 **SECTION 6.** In Colorado Revised Statutes, **repeal** 39-22-120.

19 **SECTION 7.** In Colorado Revised Statutes, 19-1-305, **amend**  
20 **(1)(e) and (1)(f); and **repeal** (1)(g) as follows:**

21 **19-1-305. Operation of juvenile facilities.** (1) Except as  
22 otherwise authorized by section 19-1-303 or 19-1-304 (8), all records  
23 prepared or obtained by the department of human services in the course  
24 of carrying out its duties pursuant to article 2.5 of this title 19 are  
25 confidential and privileged. The records may be disclosed only:

26 (e) To persons authorized by court order after notice and a  
27 hearing, to the juvenile, and to the custodian of the record; AND

1           (f) For research or evaluation purposes pursuant to rules regarding  
2           research or evaluation promulgated by the department of human services.  
3           Any rules so promulgated shall require that persons receiving information  
4           for research or evaluation purposes are required to keep such information  
5           confidential. and

6           (g) To the department of revenue pursuant to sections 39-22-120  
7           and 39-22-2003, C.R.S.

8           **SECTION 8.** In Colorado Revised Statutes, 39-21-108, **amend**  
9           (3)(a)(I)(A) as follows:

10           **39-21-108. Refunds.** (3) (a) (I) (A) Whenever it is established  
11           that any taxpayer has, for any period open under the statutes, overpaid a  
12           tax covered by articles 22 and 26 to 29 of this title 39, article 60 of title  
13           34, and article 3 of title 42 OR THAT ANY TAXPAYER IS ALLOWED A  
14           REFUND PURSUANT TO PART 20 OF ARTICLE 22 OF THIS TITLE 39 and that:  
15           There is an unpaid balance of tax and interest accrued, according to the  
16           records of the executive director, owing by such taxpayer for any other  
17           period; there is an amount required to be repaid to the unemployment  
18           compensation fund pursuant to section 8-81-101 (4), the amount of which  
19           has been determined to be owing as a result of a final agency  
20           determination or judicial decision or that has been reduced to judgment  
21           by the division of unemployment insurance in the department of labor and  
22           employment; there is any unpaid child support debt as set forth in section  
23           14-14-104, or child support arrearages that are the subject of enforcement  
24           services provided pursuant to section 26-13-106, as certified by the  
25           department of human services; there are any unpaid obligations owing to  
26           the state as set forth in section 26-2-133, for overpayment of public  
27           assistance or medical assistance benefits, the amount of which has been



1 determined to be owing as a result of final agency determination or  
2 judicial decision or that has been reduced to judgment, as certified by the  
3 department of human services; there are any unpaid obligations owing to  
4 the state as set forth in section 26.5-4-119, for overpayment of child care  
5 assistance, the amount of which has been determined to be owing as a  
6 result of final agency determination or judicial decision or that has been  
7 reduced to judgment as certified by the department of early childhood;  
8 there is any unpaid loan or other obligation due to a state-supported  
9 institution of higher education as set forth in section 23-5-115, the  
10 amount of which has been determined to be owing as a result of a final  
11 agency determination or judicial decision or that has been reduced to  
12 judgment, as certified by the appropriate institution; there is any unpaid  
13 loan due to the student loan division of the department of higher  
14 education as set forth in section 23-3.1-104 (1)(p), the amount of which  
15 has been determined to be owing as a result of a final agency  
16 determination or judicial decision or that has been reduced to judgment,  
17 as certified by the division; there is any unpaid loan due to the  
18 collegeinvest division of the department of higher education as set forth  
19 in section 23-3.1-206, the amount of which has been determined to be  
20 owing as a result of a final agency determination or judicial decision or  
21 that has been reduced to judgment; there is any outstanding judicial fine,  
22 fee, cost, or surcharge as set forth in section 16-11-101.8, or judicial  
23 restitution as set forth in section 16-18.5-106.8, the amount of which has  
24 been determined to be owing as a result of a final judicial department  
25 determination or certified by the judicial department as a judgment owed  
26 the state or a victim; OR there is any unpaid debt owing to the state or any  
27 agency thereof by such taxpayer, and that is found to be owing as a result

1 of a final agency determination or the amount of which has been reduced  
2 to judgment and as certified by the state agency, ~~or the taxpayer is a~~  
3 ~~qualified individual identified pursuant to section 39-22-120 (10) or~~  
4 ~~39-22-2003 (9)~~ so much of the overpayment of tax plus interest allowable  
5 thereon as does not exceed the amount of such unpaid balance or unpaid  
6 debt must be credited first to the unpaid balance of tax and interest  
7 accrued and then to the unpaid debt, and any excess of the overpayment  
8 must be refunded. If the taxpayer elects to designate ~~his or her~~ THE  
9 TAXPAYER'S refund as a credit against a subsequent year's tax liability, the  
10 amount allowed to be so credited must be reduced first by the unpaid  
11 balance of tax and interest accrued and then by the unpaid debt. If the  
12 taxpayer filed a joint return, the executive director shall notify the other  
13 taxpayer named on the joint return that the portion of the overpayment  
14 that is generated by the other taxpayer's income will be refunded upon  
15 receipt of a request detailing said amount.

16 **SECTION 9.** In Colorado Revised Statutes, 39-21-113, **repeal**  
17 (11) as follows:

18 **39-21-113. Reports and returns - rule - repeal.**  
19 ~~(11) Notwithstanding the provisions of this section, the executive~~  
20 ~~director of the department of revenue shall supply the department of~~  
21 ~~corrections with any information obtained pursuant to this section which~~  
22 ~~is necessary to implement the procedure to offset state sales tax refunds~~  
23 ~~against restitution and costs pursuant to section 39-22-120 (10) or~~  
24 ~~39-22-2003 (9).~~

25 **SECTION 10.** In Colorado Revised Statutes, 39-26-106, **amend**  
26 (1)(a)(II); and **repeal** (1)(a)(I) as follows:

27 **39-26-106. Schedule of sales tax.** (1) (a) (I) ~~Except as otherwise~~

1 provided in subparagraph (II) of this paragraph (a), there is imposed upon  
2 all sales of commodities and services specified in section 39-26-104 a tax  
3 at the rate of three percent of the amount of the sale, to be computed in  
4 accordance with schedules or systems approved by the executive director  
5 of the department of revenue. Said schedules or systems shall be designed  
6 so that no such tax is charged on any sale of seventeen cents or less.

7 (II) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-26-901, on  
8 and after January 1, 2001, there is imposed upon all sales of commodities  
9 and services specified in section 39-26-104 a tax at the rate of two and  
10 ninety one-hundredths percent of the amount of the sale to be computed  
11 in accordance with schedules or systems approved by the executive  
12 director of the department of revenue. Said schedules or systems shall  
13 MUST be designed so that no such tax is charged on any sale of seventeen  
14 cents or less.

15 **SECTION 11.** In Colorado Revised Statutes, 39-26-202, **amend**  
16 (1)(b) as follows:

17 **39-26-202. Authorization of tax.** (1) (b) EXCEPT AS OTHERWISE  
18 PROVIDED IN SECTION 39-26-901, on and after January 1, 2001, there is  
19 imposed and shall MUST be collected from every person in this state a tax  
20 or excise at the rate of two and ninety one-hundredths percent of storage  
21 or acquisition charges or costs for the privilege of storing, using, or  
22 consuming in this state any articles of tangible personal property  
23 purchased at retail.

24 **SECTION 12.** In Colorado Revised Statutes, **add** part 9 to article  
25 26 of title 39 as follows:

26 PART 9  
27 TEMPORARY STATE SALES AND USE TAX

1 RATE REDUCTIONS

2 **39-26-901. Temporary adjustment of rates of state sales and**  
3 **use taxes - refund of excess state revenues - definition - repeal.**

4 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
5 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE  
6 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING  
7 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION  
8 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
9 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE  
10 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING  
11 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION  
12 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION  
13 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

14 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS  
15 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION  
16 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE  
17 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE  
18 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

19 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER  
20 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE  
21 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS  
22 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
23 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
24 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
25 EXCESS STATE REVENUE MUST BE REFUNDED.

26 (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
27 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE

1 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A  
2 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF  
3 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE  
4 PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS  
5 TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS  
6 REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT  
7 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED  
8 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT  
9 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED  
10 BY SECTION 39-22-627.

11 (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE  
12 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS  
13 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR  
14 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,  
15 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE  
16 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE  
17 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF  
18 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE  
19 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION  
20 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE  
21 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A  
22 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN  
23 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

24 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE  
25 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
26 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
27 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20

1 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
2 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
3 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
4 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
5 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

6 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
7 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE  
8 CALCULATION OF THE AMOUNT OF:

9 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT  
10 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

11 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL  
12 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;  
13 OR

14 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

15 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT  
16 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE  
17 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE  
18 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20  
19 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

20 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

21 **SECTION 13.** In Colorado Revised Statutes, **add** part 9 to article  
22 26 of title 39 as follows:

23 PART 9

24 TEMPORARY STATE SALES AND USE TAX

25 RATE REDUCTIONS

26 **39-26-901. Temporary adjustment of rates of state sales and**  
27 **use taxes - refund of excess state revenues - definition - repeal.**

1 (1) (a) IF, FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
2 1, 2024, BUT BEFORE JULY 1, 2034, THE ESTIMATED AMOUNT OF STATE  
3 REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING  
4 IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION  
5 THAT ARE REQUIRED TO BE REFUNDED FOR THE STATE FISCAL YEAR IS  
6 GREATER THAN ONE BILLION FIVE HUNDRED MILLION DOLLARS, THE  
7 EXECUTIVE DIRECTOR SHALL TEMPORARILY REDUCE, FOR THE FOLLOWING  
8 STATE FISCAL YEAR, THE STATE SALES TAX RATE SET FORTH IN SECTION  
9 39-26-106 AND THE STATE USE TAX RATE SET FORTH IN SECTION  
10 39-26-202 BY THIRTEEN ONE-HUNDREDTHS OF ONE PERCENT.

11 (b) (I) THE CALCULATION OF THE ESTIMATED AMOUNT OF EXCESS  
12 STATE REVENUES FOR A STATE FISCAL YEAR REQUIRED BY SUBSECTION  
13 (1)(a) OF THIS SECTION IS BASED ON THE MARCH ECONOMIC AND REVENUE  
14 FORECAST THAT IS SELECTED BY THE JOINT BUDGET COMMITTEE AS THE  
15 BASIS FOR THE STATE'S BUDGET FOR THE FOLLOWING STATE FISCAL YEAR.

16 (II) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER  
17 JULY 1, 2025, THE EXECUTIVE DIRECTOR SHALL ANNUALLY ADJUST THE  
18 EXCESS STATE REVENUE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS  
19 SECTION BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF ALLOWABLE  
20 INCREASE IN STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO  
21 SECTION 24-77-103 (2)(a)(I) FOR THE STATE FISCAL YEAR FOR WHICH THE  
22 EXCESS STATE REVENUE MUST BE REFUNDED.

23 (c) THE TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
24 IN SUBSECTION (1)(a) OF THIS SECTION TAKES EFFECT ONLY IF THE  
25 AMOUNT OF EXCESS STATE REVENUES REQUIRED TO BE REFUNDED FOR A  
26 STATE FISCAL YEAR EXCEEDS THE TOTAL OF THE AMOUNT OF  
27 REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF

1 BOTH THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3  
2 OF THIS TITLE 39 AND THE REDUCED VALUATION FOR ASSESSMENT OF  
3 QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY PURSUANT TO  
4 SECTIONS 39-1-104.2 AND 39-1-104.6 THAT IS PAID BY THE STATE  
5 TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION  
6 39-3-207 (4) OR 39-1-104.6 (9)(c) FOR THE PROPERTY TAX YEAR THAT  
7 COMMENCED DURING THE STATE FISCAL YEAR PLUS THE ESTIMATED  
8 AMOUNT BY WHICH STATE REVENUES WILL BE DECREASED AS THE RESULT  
9 OF A REDUCTION IN THE STATE INDIVIDUAL INCOME TAX RATE REQUIRED  
10 BY SECTION 39-22-627.

11 (2) IF, AT A STATEWIDE ELECTION, VOTERS AUTHORIZE THE STATE  
12 TO RETAIN AND SPEND ALL OR ANY PORTION OF AN AMOUNT OF EXCESS  
13 STATE REVENUES FOR A STATE FISCAL YEAR THAT WAS EQUAL TO OR  
14 EXCEEDED THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION,  
15 AND THEREFORE REQUIRED A REDUCTION OF THE STATE SALES AND USE  
16 TAX RATES, SO THAT THE AMOUNT OF REMAINING EXCESS STATE  
17 REVENUES IS LESS THAN THE AMOUNT SPECIFIED IN SUBSECTION (1)(a) OF  
18 THIS SECTION, THE EXECUTIVE DIRECTOR SHALL RESTORE THE STATE  
19 SALES AND USE TAX RATES TO THE STANDARD RATES IMPOSED BY SECTION  
20 39-26-106 (1) OR 39-26-202 (1) BEGINNING ON JANUARY 1 OF THE  
21 FOLLOWING CALENDAR YEAR. ANY AMOUNT REFUNDED BY SUCH A  
22 REDUCTION IN THE STATE SALES AND USE TAX RATES CONSTITUTES AN  
23 OVER-REFUND AS DEFINED IN SECTION 24-77-103.7 (1).

24 (3) AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE  
25 REQUIRES, "EXCESS STATE REVENUES" MEANS THE TOTAL AMOUNT OF THE  
26 STATE REVENUES FOR THE STATE FISCAL YEAR IN EXCESS OF THE  
27 LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20



1 (7)(a) OF ARTICLE X OF THE STATE CONSTITUTION THAT VOTERS  
2 STATEWIDE HAVE NOT AUTHORIZED THE STATE TO RETAIN AND SPEND AND  
3 THAT THE STATE IS REQUIRED TO REFUND UNDER SECTION 20 (7)(d) OF  
4 ARTICLE X OF THE STATE CONSTITUTION, INCLUDING ANY ADJUSTMENT  
5 FOR AMOUNTS SPECIFIED IN SECTION 24-77-103.7 OR 24-77-103.8.

6 (4) ANY TEMPORARY STATE SALES AND USE TAX RATE REDUCTION  
7 PURSUANT TO SUBSECTION (1) OF THIS SECTION DOES NOT AFFECT THE  
8 CALCULATION OF THE AMOUNT OF:

9 (a) THE VENDOR FEE CREDITED TO THE HOUSING DEVELOPMENT  
10 GRANT FUND IN ACCORDANCE WITH SECTION 39-26-123 (3)(b);

11 (b) THE STATE SALES TAX INCREMENT REVENUE FOR REGIONAL  
12 TOURISM ZONES IN ACCORDANCE WITH PART 3 OF ARTICLE 46 OF TITLE 24;  
13 OR

14 (c) THE AVIATION FUND CREATED IN SECTION 43-10-109.

15 (5) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT  
16 TEMPORARY STATE SALES AND USE TAX RATE REDUCTIONS ARE  
17 REASONABLE METHODS OF REFUNDING A PORTION OF THE EXCESS STATE  
18 REVENUES REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20  
19 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION.

20 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

21 **SECTION 14.** In Colorado Revised Statutes, 39-26-105, **amend**  
22 (1)(a)(I)(A) as follows:

23 **39-26-105. Vendor liable for tax - definitions - repeal.**

24 (1) (a) (I) (A) Except as provided in subsections (1)(a)(I)(B), (1.3), and  
25 (1.5) of this section, every retailer shall ~~irrespective of the provisions of~~  
26 ~~section 39-26-106,~~ be liable and responsible for the payment of an  
27 amount equivalent to ~~two and ninety one-hundredths~~ percent of all sales

1 ~~made on or after January 1, 2001, by the retailer of commodities or~~  
2 ~~services as specified in section 39-26-104~~ THE TAX IMPOSED BY SECTION  
3 39-26-106 (1).

4 **SECTION 15.** In Colorado Revised Statutes, 39-26-112, **amend**  
5 (1) as follows:

6 **39-26-112. Excess tax - remittance - repeal.** (1) If any vendor,  
7 during any reporting period, collects as a tax an amount in excess of ~~three~~  
8 ~~percent of all taxable sales made prior to January 1, 2001, and two and~~  
9 ~~ninety one-hundredths percent of all taxable sales made on or after~~  
10 ~~January 1, 2001~~ THE TAX IMPOSED BY SECTION 39-26-106(1), such vendor  
11 shall remit to the executive director of the department of revenue the full  
12 net amount of the tax imposed in this part 1 and also such excess. The  
13 retention by the retailer or vendor of any excess of tax collections over the  
14 said percentage of the total taxable sales of such retailer or vendor, or the  
15 intentional failure to remit punctually to the executive director the full  
16 amount required to be remitted by the provisions of this part 1 is declared  
17 to be unlawful and constitutes a misdemeanor.

18 **SECTION 16.** In Colorado Revised Statutes, 43-10-109, **amend**  
19 (2)(a) as follows:

20 **43-10-109. Aviation fund created.** (2) (a) (I) In accordance with  
21 section 18 of article X of the Colorado constitution, for the 1991-92 fiscal  
22 year, and each fiscal year thereafter, one hundred percent of the sales and  
23 use taxes collected during that fiscal year by the state pursuant to sections  
24 39-26-104 and 39-26-202 ~~C.R.S.~~, on aviation fuels used in  
25 turbo-propeller or jet engine aircraft shall be credited to the aviation fund.

26 (II) IF A TEMPORARY REDUCTION OF THE STATE SALES AND USE  
27 TAX RATES PURSUANT TO SECTION 39-26-901 IS IN EFFECT, THE STATE

1       TREASURER SHALL CREDIT ADDITIONAL SALES AND USE TAXES COLLECTED  
2       ON OTHER PROPERTY AND SERVICES TO THE AVIATION FUND SO THAT THE  
3       AVIATION FUND RECEIVES AN AMOUNT EQUAL TO THE AMOUNT THAT IT  
4       WOULD HAVE RECEIVED IF THE SALES AND USE TAX RATES HAD NOT BEEN  
5       TEMPORARILY REDUCED FOR THAT FISCAL YEAR.

6               **SECTION 17. Effective date.** (1) Except as otherwise provided  
7       in this section, this act takes effect upon passage.

8               (2) Sections 1 and 12 of this act take effect only if Senate Bill  
9       24-111 does not become law.

10              (3) Sections 2 and 13 of this act take effect only if Senate Bill  
11       24-111 becomes law, in which case sections 2 and 13 of this act take  
12       effect upon the effective date of this act or Senate Bill 24-111, whichever  
13       is later.

14              **SECTION 18. Appropriation.** (1) For the 2024-25 state fiscal  
15       year, \$59,443 is appropriated to the department of revenue. This  
16       appropriation is from the general fund. To implement this act, the  
17       department may use this appropriation as follows:

18              (a) \$16,625 for use by the executive director's office for personal  
19       services related to administration and support;

20              (b) \$27,810 for the taxation business group for tax administration  
21       IT system (GenTax) support; and

22              (c) \$15,008 for the taxation business group for personal services  
23       related to taxation services.

24              **SECTION 19. Safety clause.** The general assembly finds,  
25       determines, and declares that this act is necessary for the immediate  
26       preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.