

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

INTRODUCED

LLS NO. 25-0218.01 Alison Killen x4350

HOUSE BILL 25-1045

HOUSE SPONSORSHIP

Joseph,

SENATE SPONSORSHIP

Liston, Frizell, Mullica, Weissman

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE MODIFICATION OF THE STATE INCOME TAX CREDIT**
102 **FOR PURCHASING LONG-TERM CARE INSURANCE.**

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/>.)

Legislative Oversight Committee Concerning Tax Policy. For income tax years commencing on or after January 1, 2025, the bill both:

- Increases the amount of federal taxable income a taxpayer may have and still qualify for the state income tax credit for purchasing long-term care insurance and annually adjusts that federal taxable income amount for inflation; and

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.

- Doubles the amount of the credit a taxpayer may claim and, for income tax years commencing on or after January 1, 2026, annually adjusts the credit amount for inflation.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-122, **amend**
3 (2) and (3); and **add** (3.5) as follows:

4 **39-22-122. Long-term care insurance credit - definitions.**

5 (2) Notwithstanding any other provision of this section, ~~to the contrary,~~
6 a credit shall only be allowed: ~~to~~

7 (a) FOR INCOME TAX YEARS COMMENCING PRIOR TO JANUARY 1,
8 2025, TO:

9 ~~(a)~~ (I) An individual filing a single return with a federal taxable
10 income of less than fifty thousand dollars for the tax year for which the
11 credit is claimed;

12 ~~(b)~~ (II) Two individuals filing a joint return with a federal taxable
13 income of less than fifty thousand dollars for the tax year for which the
14 credit is claimed if claiming the credit for one policy; or

15 ~~(c)~~ (III) Two individuals filing a joint return with a federal taxable
16 income of less than one hundred thousand dollars for the tax year for
17 which the credit is claimed if claiming the credit for two policies or for
18 a joint policy that covers each individual separately;

19 (b) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
20 1, 2025, TO:

21 (I) AN INDIVIDUAL FILING A SINGLE RETURN WITH A FEDERAL
22 TAXABLE INCOME OF LESS THAN ONE HUNDRED THOUSAND DOLLARS FOR
23 THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED;

24 (II) TWO INDIVIDUALS FILING A JOINT RETURN WITH A FEDERAL

1 TAXABLE INCOME OF LESS THAN ONE HUNDRED THOUSAND DOLLARS FOR
2 THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED IF CLAIMING THE
3 CREDIT FOR ONE POLICY; OR

4 (III) TWO INDIVIDUALS FILING A JOINT RETURN WITH A FEDERAL
5 TAXABLE INCOME OF LESS THAN TWO HUNDRED THOUSAND DOLLARS FOR
6 THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED IF CLAIMING THE
7 CREDIT FOR TWO POLICIES OR FOR A JOINT POLICY THAT COVERS EACH
8 INDIVIDUAL SEPARATELY.

9 (3) Notwithstanding any other provision of this section, ~~to the~~
10 ~~contrary~~, FOR INCOME TAX YEARS COMMENCING:

11 (a) PRIOR TO JANUARY 1, 2025, the amount of credit claimed
12 pursuant to this section shall not exceed one hundred fifty dollars for each
13 policy for which a credit is claimed pursuant to this section; AND

14 (b) ON OR AFTER JANUARY 1, 2025, THE AMOUNT OF THE CREDIT
15 CLAIMED PURSUANT TO THIS SECTION SHALL NOT EXCEED THREE HUNDRED
16 DOLLARS FOR EACH POLICY FOR WHICH A CREDIT IS CLAIMED PURSUANT TO
17 THIS SECTION.

18 (3.5) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
19 JANUARY 1, 2026, THE EXECUTIVE DIRECTOR OR THE EXECUTIVE
20 DIRECTOR'S DESIGNEE SHALL ADJUST THE FOLLOWING TO REFLECT
21 INFLATION FOR EACH INCOME TAX YEAR IN WHICH THE CREDIT DESCRIBED
22 IN THIS SECTION IS ALLOWED:

23 (I) THE FEDERAL TAXABLE INCOME LIMITS SET FORTH IN
24 SUBSECTION (2)(b) OF THIS SECTION; AND

25 (II) THE MAXIMUM AMOUNT OF CREDIT THAT A TAXPAYER MAY
26 CLAIM AS SET FORTH IN SUBSECTION (3) OF THIS SECTION.

27 (b) AS USED IN THIS SUBSECTION (3.5), "INFLATION" MEANS THE

1 ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF
2 LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A
3 SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS
4 PAID BY URBAN CONSUMERS.

5 **SECTION 2. Act subject to petition - effective date.** This act
6 takes effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly; except
8 that, if a referendum petition is filed pursuant to section 1 (3) of article V
9 of the state constitution against this act or an item, section, or part of this
10 act within such period, then the act, item, section, or part will not take
11 effect unless approved by the people at the general election to be held in
12 November 2026 and, in such case, will take effect on the date of the
13 official declaration of the vote thereon by the governor.