

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

PREAMENDED

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

LLS NO. 25-0660.01 Megan McCall x4215

HOUSE BILL 25-1128

HOUSE SPONSORSHIP

Espenoza,

SENATE SPONSORSHIP

Mullica,

House Committees

State, Civic, Military, & Veterans Affairs
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR THE**
102 **PURCHASE OF A DEVICE CAPABLE OF LOCKING THAT SAFELY**
103 **STORES FIREARMS.**

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>.)

The bill creates a new income tax credit in an amount equal to the purchase price of a firearm safety device, not to exceed \$200, that is purchased by an eligible taxpayer from a federally licensed dealer (credit). A firearm safety device is a device that is designed or can be used to store a firearm and is designed to be unlocked only by means of

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.*

a key, a combination, or by other similar means. The credit is available for income tax years 2027 and 2028, and if the amount of the credit exceeds the eligible taxpayer's tax liability, the credit may be carried forward for a period of 5 income tax years. In addition, the maximum amount of aggregate credits that can be claimed in an income tax year is \$5 million.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-131 as
3 follows:

4 **39-22-131. Tax credit for purchase of gun safety device - tax**
5 **preference performance statement - legislative declaration -**
6 **definitions - rules - repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND
7 DECLARES THAT:

8 (I) RESPONSIBLE OWNERS OF FIREARMS SECURE THEIR FIREARMS
9 BY USING GUN SAFES OR LOCKS; AND

10 (II) COLORADO LAW REQUIRES GUN LOCKS WITH THE PURCHASE OF
11 FIREARMS, BUT AN INCOME TAX CREDIT FOR THE COST, OR A PORTION OF
12 THE COST, OF PURCHASING A FIREARM SAFETY DEVICE, SUCH AS A GUN
13 SAFE, WILL ASSIST FIREARM OWNERS WHO WANT TO FURTHER SECURE
14 THEIR WEAPONS TO AFFORD SUCH A LARGE EXPENSE.

15 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
16 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
17 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
18 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
19 DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS
20 SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,
21 SPECIFICALLY THE PURCHASE OF FIREARM SAFETY DEVICES TO ENCOURAGE
22 THE SAFE STORAGE OF FIREARMS.

1 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
2 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
3 SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION BASED ON THE NUMBER
4 OF CREDITS CLAIMED.

5 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

8 (b) "ELIGIBLE TAXPAYER" MEANS A RESIDENT INDIVIDUAL SUBJECT
9 TO TAX UNDER THIS ARTICLE 22.

10 (c) "ELIGIBLE TRANSACTION" MEANS THE TRANSACTION BY WHICH
11 AN ELIGIBLE TAXPAYER PURCHASES ONE OR MORE FIREARM SAFETY
12 DEVICES FROM A DEALER THAT IS FEDERALLY LICENSED PURSUANT TO 18
13 U.S.C. SEC. 923. AN "ELIGIBLE TRANSACTION" DOES NOT INCLUDE THE
14 PURCHASE OF A FIREARM.

15 (d) "FIREARM" OR "GUN" MEANS A FIREARM AS DEFINED IN
16 SECTIONS 18-1-901 (3)(h) AND 18-12-506 (2) AND ANY INSTRUMENT OR
17 DEVICE DESCRIBED IN SECTION 18-12-101 (1)(b.7).

18 (e) (I) "FIREARM SAFETY DEVICE" MEANS A SAFE, GUN SAFE, GUN
19 CASE, LOCK BOX, OR OTHER DEVICE THAT IS DESIGNED TO BE USED TO
20 STORE A FIREARM, THAT IS DESIGNED TO BE UNLOCKED ONLY BY MEANS
21 OF A KEY OR A COMBINATION, OR BY OTHER SIMILAR MEANS, AND IS
22 APPARENT BASED ON ITS DESIGN AND MATERIALS USED IN ITS
23 CONSTRUCTION THAT THE MANUFACTURER DESIGNED IT SPECIFICALLY TO
24 PREVENT UNAUTHORIZED ACCESS TO FIREARMS.

25 (II) "FIREARM SAFETY DEVICE" DOES NOT MEAN A GLASS-FACED
26 CABINET OR OTHER FORM OF STORAGE THAT IS PRIMARILY DESIGNED TO
27 ALLOW FOR THE DISPLAY OF FIREARMS.

1 (f) "PURCHASE PRICE" HAS THE SAME MEANING AS SET FORTH IN
2 SECTION 39-26-102 (7).

3 (3) (a) SUBJECT TO SUBSECTION (3)(b) OF THIS SECTION, FOR ANY
4 INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2027, BUT
5 BEFORE JANUARY 1, 2029, AN ELIGIBLE TAXPAYER IS ALLOWED A CREDIT
6 AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 FOR THE
7 PURCHASE PRICE OF ONE OR MORE FIREARM SAFETY DEVICES THAT ARE
8 PURCHASED IN AN ELIGIBLE TRANSACTION; EXCEPT THAT THE MAXIMUM
9 AMOUNT OF THE CREDIT THAT MAY BE CLAIMED BY AN ELIGIBLE
10 TAXPAYER IS TWO HUNDRED DOLLARS.

11 (b) (I) AN ELIGIBLE TAXPAYER IS ALLOWED ONE CREDIT PER
12 INCOME TAX YEAR AND MUST CLAIM THE CREDIT IN THE INCOME TAX YEAR
13 IN WHICH THE ELIGIBLE TAXPAYER PURCHASES THE FIREARM SAFETY
14 DEVICE.

15 (II) IN ADDITION TO ANY OTHER INFORMATION REQUIRED BY THE
16 DEPARTMENT, IN ORDER TO CLAIM THE CREDIT, AN ELIGIBLE TAXPAYER
17 SHALL FILE WITH THE ELIGIBLE TAXPAYER'S STATE INCOME TAX RETURN
18 RECEIPTS OR OTHER DOCUMENTATION THAT REFLECTS THE PURCHASE
19 PRICE OF THE FIREARM SAFETY DEVICE AND SHOWS THAT THE PURCHASE
20 PRICE WAS PAID BY THE ELIGIBLE TAXPAYER.

21 (III) THE AGGREGATE AMOUNT OF ALL TAX CREDITS THAT MAY BE
22 CLAIMED IN AN INCOME TAX YEAR MUST NOT EXCEED FIVE HUNDRED
23 THOUSAND DOLLARS. THE TAX CREDIT MUST BE CLAIMED ON A
24 FIRST-COME, FIRST-SERVED BASIS.

25 (4) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
26 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
27 ELIGIBLE TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE

1 CREDIT IS CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET
2 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE
3 CARRIED FORWARD AND USED AS A CREDIT AGAINST INCOME TAX
4 LIABILITY IN SUBSEQUENT YEARS FOR A PERIOD NOT TO EXCEED FIVE
5 YEARS AND MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEAR
6 POSSIBLE. ANY CREDIT REMAINING AFTER THE PERIOD MAY NOT BE
7 REFUNDED OR CREDITED TO THE ELIGIBLE TAXPAYER.

8 (5) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY ADOPT
9 RULES TO IMPLEMENT THIS SECTION.

10 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2038.

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