

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0888.02 Pierce Lively x2059

HOUSE BILL 25-1296

HOUSE SPONSORSHIP

Garcia and Zokaie,

SENATE SPONSORSHIP

Weissman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ADJUSTMENT OF CERTAIN TAX EXPENDITURES.

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 adjusts several state tax expenditures as follows:

- **Section 2** of the bill increases the amount of a company's total domestic workforce that must be in Colorado for a company to qualify for the insurance premium tax rate tax expenditure for a home office or regional home office;
- **Section 3** requires insurance companies, when submitting certain filings with the division of insurance, to submit the total annual dollar amount of premiums collected or

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.

- contracted for on policies or contracts of insurance covering property or risks in Colorado during the previous calendar year from entities that are exempt from taxation;
- **Section 6** limits the existing tax deduction related to expenses, the deduction of which is disallowed by section 280C of the internal revenue code, so that a taxpayer may only claim the tax deduction for income tax years commencing before January 1, 2026;
 - **Section 10**, for income tax years commencing on and after January 1, 2026, creates a new tax deduction related to expenses, the deduction of which is disallowed by section 280C of the internal revenue code, so that a taxpayer may claim the deduction for any expenses that cannot be deducted under section 280C of the internal revenue code;
 - **Section 7** limits the alternative minimum tax credit to income tax years commencing prior to January 1, 2025;
 - **Section 8** extends the tax credit for monetary contributions to promote child care, so that the tax credit is available through income tax years commencing before January 1, 2030, rather than January 1, 2028;
 - **Section 9**, for income tax years commencing on and after January 1, 2026, creates an income tax credit for certain individuals who are 65 years of age or older in the income tax year, or who are a surviving spouse of that individual, and who were previously eligible to receive a grant for real property tax assistance and heat or fuel expenses assistance;
 - **Section 20**, beginning January 1, 2026, ends the availability of grants for real property tax assistance and heat or fuel expenses assistance;
 - **Sections 4, 5, 14, 15, 21, 22, and 23** make conforming amendments for the changes made in **sections 9 and 20**;
 - **Section 11** expands the definition of local government to include counties for purposes of the alternative transportation options tax credit;
 - **Section 12** limits the existing business personal property tax credit so that a taxpayer may only claim the tax deduction for income tax years commencing before January 1, 2026;
 - **Section 13** modifies the tax credit for qualified costs incurred in preservation of historic structures by removing the 5% increase in the percentage of rehabilitation expenses incurred in a rehabilitation in a disaster area for the rehabilitation of a commercial structure that are applicable for the tax credit;

- **Section 16** modifies the downloaded software sales tax exemption so that all software that is available for repeated sale and license and governed by a nonnegotiable license agreement qualifies as tangible property and thus is subject to sales tax;
- **Section 17** ensures that, beginning July 1, 2025, interstate telephone and telegraph services are subject to state sales tax;
- **Section 18** repeals, effective July 1, 2025, the special fuel excise tax reduction associated with bad debt and the payment of the special fuel excise tax; and
- **Section 19** modifies the enterprise zone tax credit for income tax years beginning January 1, 2026, by limiting the total amount of the credit that may be claimed to \$2 million, providing an exemption process for that limit, and prohibiting certain taxpayers from claiming that credit.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) (I) The insurance premium tax rate tax expenditure for a home
5 office or regional home office was intended to create an incentive for
6 insurance companies to maintain a substantial workforce presence in the
7 state, but the tax expenditure has not satisfied this intent;

8 (II) In order to better meet the intended purpose of the tax
9 expenditure, the home office or regional home office tax rate exemption
10 is modified to increase the amount of a company's total domestic
11 workforce that must be in Colorado to qualify for the tax expenditure
12 from 2.5% to 7%; and

13 (III) The modification of the tax expenditure will only cause a de
14 minimis revenue gain that is incidental to the primary purpose of
15 modifying the tax expenditure so that it better satisfies its original intent;

16 (b) (I) The Colorado alternative minimum tax, like the federal

1 alternative minimum tax, ensures that taxpayers who benefit from certain
2 income tax provisions pay a minimum amount of income tax;

3 (II) A taxpayer's Colorado alternative minimum tax is calculated
4 based on that taxpayer's federal alternative minimum taxable income;

5 (III) A taxpayer may claim the Colorado alternative minimum tax
6 credit, like the federal alternative minimum tax credit, if that taxpayer was
7 liable for the federal alternative minimum tax in the previous income tax
8 year;

9 (IV) Colorado's tax policy has long been and remains to assess an
10 income tax on individual and corporate taxpayers;

11 (V) Colorado is one of only three states that has an alternative
12 minimum tax and an associated tax credit, and the Colorado alternative
13 minimum tax is not assessed equally against individual and corporate
14 taxpayers;

15 (VI) In order to achieve greater internal consistency in Colorado
16 tax policy and to achieve more consistency between Colorado tax policy
17 and the tax policy in other states, this act repeals the alternative minimum
18 tax credit; and

19 (VII) The repeal of the tax expenditure will only cause a de
20 minimis revenue gain that is incidental to the primary purpose of ensuring
21 greater tax policy consistency;

22 (c) (I) House Bill 24-1314 substantially modified the tax credit for
23 qualified costs incurred in the preservation of historic structures by,
24 among other things, expanding the amount of the tax credit available to
25 taxpayers;

26 (II) As part of modifying the tax expenditure, House Bill 24-1314
27 also removed the 5% increase in the percentage of rehabilitation expenses

1 incurred in a disaster area for the rehabilitation of a residential structure,
2 but not a commercial structure, that are considered in determining the
3 amount of the tax expenditure;

4 (III) This act further modifies the tax expenditure by removing the
5 5% increase in the percentage of rehabilitation expenses incurred in a
6 rehabilitation in a disaster area for the rehabilitation of a commercial
7 structure that are considered in determining the amount of the tax
8 expenditure;

9 (IV) The primary purpose of the modification of this tax
10 expenditure is to decrease administrative burden by aligning the treatment
11 of expenses incurred in rehabilitating residential and commercial historic
12 structures; and

13 (V) The modification of this tax expenditure will only cause a de
14 minimis revenue gain that is incidental to the primary purpose of
15 modifying the tax expenditure;

16 (d) (I) The downloaded software sales tax exemption, by
17 modifying the definition of tangible personal property to not include
18 certain types of software, exempts certain software that is downloaded at
19 the time of purchase from sales tax;

20 (II) The primary purpose of this tax expenditure was to resolve
21 taxpayer confusion and decrease administrative burden by clarifying the
22 definition of tangible personal property as it relates to software;

23 (III) The primary purpose of modifying this tax expenditure is to
24 further resolve taxpayer confusion and decrease administrative burden by
25 clarifying that all computer software available for repeated sale and
26 governed by a nonnegotiable license agreement qualifies as personal
27 tangible property and is subject to sales tax; and

1 (IV) The modification of this tax expenditure will only cause a de
2 minimis revenue gain that is incidental to the primary purpose of
3 resolving taxpayer confusion and decreasing administrative burden;

4 (e) (I) One of the 5 primary categories of sales that are subject to
5 state sales tax is intrastate telephone and telegraph services;

6 (II) Interstate telephone and telegraph services are not subject to
7 state sales tax;

8 (III) Unlike Colorado, 28 states subject interstate telephone and
9 telegraph services to state sales tax if at least one of the nodes of those
10 services is in the state levying the sales tax;

11 (IV) Like the state, many home rule municipalities in Colorado
12 impose sales tax on intrastate telephone and telegraph services, meaning
13 that some telephone and telegraph services are taxed while others are not;

14 (V) The primary purpose of repealing this tax expenditure is to
15 further resolve taxpayer confusion and decrease administrative burden by
16 repealing the sales tax exemption to make it clear that all telephone and
17 telegraph services are subject to sales tax; and

18 (VI) The repeal of this tax expenditure will only cause a de
19 minimis revenue gain that is incidental to the primary purpose of
20 repealing the tax expenditure;

21 (f) (I) The bad debt losses and administrative allowance fuel
22 excise tax expenditure allows a taxpayer, after calculating a two-percent
23 deduction in net fuel taxes for the loss allowance for the gasoline and
24 special fuel excise tax, to reduce the amount of net gasoline and special
25 fuel excise taxes owed by one-half percent;

26 (II) There are two primary purposes for the bad debt losses and
27 administrative allowance fuel excise tax expenditure:

1 (A) To cover bad debt losses incurred by the taxpayer by covering
2 the costs of the taxes that the taxpayer paid on fuel that customers
3 requested but did not then pay for; and

4 (B) To cover the administrative costs incurred by the taxpayer by
5 covering the costs associated with the calculation and payment of fuel
6 excise taxes;

7 (III) The bad debt losses actually incurred by a taxpayer are not
8 directly related to the amount of the bad debt and administrative
9 allowance fuel excise tax expenditure;

10 (IV) Other state and federal tax expenditures are available to
11 cover the bad debt losses;

12 (V) Most taxes levied by Colorado, other states, and the federal
13 government do not allow for a tax expenditure to compensate vendors for
14 the costs associated with the calculation and payment of those taxes;

15 (VI) The purpose of repealing the bad debts and administrative
16 allowance fuel excise tax expenditure is to decrease administrative burden
17 by removing a duplicative tax expenditure and to better align the
18 administration of the fuel excise tax with other taxes imposed by the state;
19 and

20 (VII) The repeal of this tax expenditure will only cause a de
21 minimis revenue gain that is incidental to the primary purpose of
22 repealing the tax expenditure;

23 (g) (I) The purpose of the enterprise zone tax expenditure, which
24 awards a tax credit in proportion to the amount of a taxpayer's investment
25 within certain areas of Colorado, is to incentivize the formation of
26 businesses and the creation of jobs within economically distressed parts
27 of Colorado;

1 (II) Some businesses that currently claim the enterprise zone tax
2 expenditure are inherently highly location-dependent and therefore are
3 not as incentivized or discentivized by a tax expenditure that rewards
4 investment within certain areas of Colorado;

5 (III) The purpose of limiting the amount of, and who may qualify
6 for, the enterprise zone tax expenditure is to narrow the scope of the tax
7 expenditure so that it will achieve its original purpose of incentivizing the
8 formation of businesses and the creation of jobs within economically
9 distressed parts of Colorado; and

10 (IV) The modification of this tax expenditure will only cause a de
11 minimis revenue gain that is incidental to the primary purpose of
12 modifying the tax expenditure to better achieve its original purpose; and

13 (h) Therefore, consistent with the Colorado supreme court's
14 holding in *TABOR Found. v. Reg'l Transp. Dist.*, 2018 CO 29, that
15 legislation that causes only an incidental and de minimis tax revenue
16 increase does not amount to a new tax or a tax policy change that requires
17 voter approval in advance under section 20 of article V of the state
18 constitution, the modifications to tax expenditures in this act are neither
19 new taxes nor tax policy changes that require voter approval.

20 **SECTION 2.** In Colorado Revised Statutes, 10-3-209, **amend**
21 (1)(b)(II.5)(B) and (1)(b)(II.5)(C); and **add** (1)(b)(II.5)(D) as follows:

22 **10-3-209. Tax on premiums collected - exemptions - penalties**
23 **- filing system - division to contract with third parties - rules - repeal.**

24 (1) (b) (II.5) To be deemed to maintain a home office or regional home
25 office in this state, a company must meet one of the criteria set forth in
26 subsection (1)(b)(II) of this section and also have a workforce in the state
27 that is greater than or equal to:

1 (A) Two percent of the company's total domestic workforce, for
2 taxes that are due and payable for calendar year 2022;

3 (B) Two and one-quarter percent of the company's total domestic
4 workforce, for taxes that are due and payable for calendar year 2023; ~~and~~

5 (C) Two and one-half percent of the company's total domestic
6 workforce, for taxes that are due and payable for calendar year 2024; and
7 ~~each calendar year thereafter~~

8 (D) SEVEN PERCENT OF THE COMPANY'S TOTAL DOMESTIC
9 WORKFORCE, FOR TAXES THAT ARE DUE AND PAYABLE FOR CALENDAR
10 YEAR 2025 AND EACH CALENDAR YEAR THEREAFTER.

11 **SECTION 3.** In Colorado Revised Statutes, 10-3-209, **add** (6)(d)
12 as follows:

13 **10-3-209. Tax on premiums collected - exemptions - penalties**
14 **- filing system - division to contract with third parties - rules - repeal.**

15 (6) (d) IN SUBMITTING TAXES, PENALTIES, FINES, FEES, AND ASSOCIATED
16 FILINGS REQUIRED UNDER THIS SECTION TO THE DIVISION, AN INSURANCE
17 COMPANY SHALL IDENTIFY THE TOTAL ANNUAL DOLLAR AMOUNT OF
18 PREMIUMS COLLECTED OR CONTRACTED FOR ON POLICIES OR CONTRACTS
19 OF INSURANCE COVERING PROPERTY OR RISKS IN COLORADO DURING THE
20 PREVIOUS CALENDAR YEAR FROM ENTITIES THAT ARE EXEMPT FROM
21 TAXATION PURSUANT TO SECTION 10-3-209 (1)(d)(IV).

22 **SECTION 4.** In Colorado Revised Statutes, 38-13-220, **amend**
23 (1) as follows:

24 **38-13-220. Tax refunds.** (1) On and after October 1, 2002, any
25 amount due and payable as a refund of Colorado income tax ~~or grant for~~
26 ~~property taxes, rent, or heat or fuel expenses assistance~~ represented by a
27 warrant that has not been presented for payment within six months after

1 the date of issuance of the warrant and that has been forwarded by the
2 department of revenue to the administrator pursuant to section 39-21-108
3 (5) is presumed abandoned.

4 **SECTION 5.** In Colorado Revised Statutes, 39-21-108, **amend**
5 (5) as follows:

6 **39-21-108. Refunds.** (5) (a) On and after October 1, 2002, any
7 warrant representing a refund of income tax imposed by article 22 of this
8 title 39 ~~or a grant for property taxes, rent, or heat or fuel expenses~~
9 ~~assistance allowed by article 31 of this title 39~~ that is not presented for
10 payment within six months from its date of issuance ~~shall be~~ IS void. On
11 and after October 1, 2002, upon the cancellation of a warrant in
12 accordance with the standard operating procedures of the department or
13 the state controller, the department shall forward to the state treasurer the
14 name of the taxpayer as it appears on the warrant, the taxpayer
15 identification number, the taxpayer's last-known address, the amount of
16 the canceled warrant, and an amount of money equal to the amount
17 specified in the warrant so that the state treasurer may make the refund
18 pursuant to the "Revised Uniform Unclaimed Property Act", article 13 of
19 title 38.

20 (b) The department may reclaim from the unclaimed property fund
21 and credit to the appropriate state revenue fund any amount forwarded by
22 the department to the state treasurer pursuant to ~~paragraph (a) of this~~
23 ~~subsection (5)~~ SUBSECTION (5)(a) OF THIS SECTION that was based on a
24 warrant representing an erroneous refund. ~~or grant~~ If the state treasurer
25 issued an erroneous refund ~~or grant~~ to the person named on the warrant,
26 the treasurer shall provide proof of that payment to the department and
27 the department may assess that amount pursuant to section 39-21-103 (1).

1 **SECTION 6.** In Colorado Revised Statutes, 39-22-304, **amend**
2 (3)(i) as follows:

3 **39-22-304. Net income of corporation - legislative declaration**
4 **- definitions - repeal.** (3) There shall be subtracted from federal taxable
5 income:

6 (i) (I) FOR INCOME TAX YEARS COMMENCING BEFORE JANUARY 1,
7 2026, that portion of wages or salaries paid or incurred for the taxable
8 year, the deduction for which is disallowed by section 280C of the
9 internal revenue code;

10 (II) THIS SUBSECTION (3)(i) IS REPEALED, EFFECTIVE DECEMBER
11 31, 2031.

12 **SECTION 7.** In Colorado Revised Statutes, 39-22-105, **amend**
13 (3)(b) and (4); and **add** (3)(c) as follows:

14 **39-22-105. Alternative minimum tax - repeal.** (3) (b) For
15 taxable years beginning on or after January 1, 2000, BUT BEFORE
16 JANUARY 1, 2025, each individual, estate, and trust shall be allowed a
17 credit against the tax imposed by this part 1 in an amount equal to twelve
18 percent of the credit allowed for the same tax year by section 53 of the
19 internal revenue code.

20 (c) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE DECEMBER 31,
21 2030.

22 (4) In the case of a nonresident taxpayer, the tax imposed by
23 subsections (1) and (1.5) of this section ~~and the credit allowed by~~
24 ~~subsection (3) of this section~~ shall be apportioned in the ratio of the
25 modified federal alternative minimum taxable income from Colorado
26 sources over the total modified federal alternative minimum taxable
27 income.

1 **SECTION 8.** In Colorado Revised Statutes, 39-22-121, **amend**
2 (1.5) as follows:

3 **39-22-121. Credit for child care facilities - legislative**
4 **declaration - definitions - repeal.** (1.5) For income tax years
5 commencing prior to ~~January 1, 2028~~ JANUARY 1, 2030, any taxpayer who
6 makes a monetary contribution to promote child care in the state is
7 allowed a credit against the income tax imposed by this article 22 in an
8 amount equal to fifty percent of the total value of the contribution except
9 as otherwise provided in subsections (5) and (6.7) of this section.

10 **SECTION 9.** In Colorado Revised Statutes, **add with amended**
11 **and relocated provisions** 39-22-131 as follows:

12 **39-22-131. [Formerly 39-31-104.5] Tax credit for assistance**
13 **for elderly individuals and individuals with disabilities - tax**
14 **preference performance statement - legislative declaration -**
15 **definitions.** (1) (a) The general assembly finds and declares that in
16 accordance with section 39-21-304, the tax expenditure created in this
17 section is intended to reduce net taxes paid by certain individuals.
18 Specifically, the tax expenditure is intended to provide assistance through
19 an income tax credit for individuals ~~with~~ WHO DO NOT HAVE AN INCOME
20 ABOVE A CERTAIN THRESHOLD AMOUNT AND WHO ARE OF A CERTAIN AGE
21 OR HAVE a disability. ~~who do not have income above a certain threshold~~
22 ~~amount~~

23 (b) The general assembly and the state auditor shall measure the
24 effectiveness of the tax expenditure in achieving the purpose specified in
25 subsection (1)(a) of this section based on the number of taxpayers who
26 have claimed the credit and the total amount of credits claimed.

27 (2) As used in this section, unless the context otherwise requires:

1 (a) "Credit" means the credit against income tax that is created in
2 this section.

3 (b) "Inflation" means the annual percentage change in the United
4 States department of labor, bureau of labor statistics, consumer price
5 index for Denver-Aurora-Lakewood for all items and all urban
6 consumers, or its successor index.

7 (c) (I) "Qualified individual" means a resident individual who has
8 a disability during the entire income tax year to a degree sufficient to
9 qualify for the payment to the individual of full benefits from any bona
10 fide public or private plan or source based solely upon ~~such~~ THEIR
11 disability AND, FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
12 2026, A RESIDENT INDIVIDUAL WHO IS SIXTY-FIVE YEARS OF AGE OR OLDER
13 DURING THE INCOME TAX YEAR.

14 (II) An individual has a disability for purposes of subsection
15 (2)(c)(I) of this section if the individual is unable to engage in any
16 substantial gainful activity by reason of any medically determinable
17 physical or mental impairment that can be expected to result in death or
18 that has lasted for a continuous period of not less than twelve months.

19 (d) "SURVIVING SPOUSE" MEANS A RESIDENT INDIVIDUAL:

20 (I) WHO IS FIFTY-EIGHT YEARS OF AGE OR OLDER;

21 (II) WHOSE SPOUSE IS DECEASED; OR

22 (III) WHOSE SPOUSE WAS A QUALIFIED INDIVIDUAL AS A RESULT OF
23 BEING SIXTY-FIVE YEARS OF AGE OR OLDER DURING THE INCOME TAX
24 YEAR.

25 (3) For income tax years commencing on or after January 1, 2025
26 a qualified individual OR, FOR TAX YEARS COMMENCING ON OR AFTER
27 JANUARY 1, 2026, A QUALIFIED INDIVIDUAL OR A SURVIVING SPOUSE is

1 allowed a credit against the tax imposed by THIS article 22 of this title 39
2 in an amount set forth in subsection (4) of this section.

3 (4) (a) The credit may be claimed in an amount equal to:

4 (I) One thousand two hundred dollars for:

5 (A) A qualified individual OR A SURVIVING SPOUSE filing a single
6 return who has a federal adjusted gross income less than or equal to ten
7 thousand dollars;

8 (B) Two qualified individuals filing a joint return with a federal
9 adjusted gross income less than or equal to sixteen thousand dollars; or

10 (C) A qualified individual and a nonqualified individual filing a
11 joint return with a federal adjusted gross income less than or equal to
12 sixteen thousand dollars;

13 (II) One thousand dollars for:

14 (A) A qualified individual OR A SURVIVING SPOUSE filing a single
15 return who has a federal adjusted gross income greater than ten thousand
16 dollars but less than or equal to twelve thousand five hundred dollars;

17 (B) Two qualified individuals filing a joint return with a federal
18 adjusted gross income greater than sixteen thousand dollars but less than
19 or equal to twenty thousand dollars; or

20 (C) A qualified individual and a nonqualified individual filing a
21 joint return with a federal adjusted gross income greater than sixteen
22 thousand dollars but less than or equal to twenty thousand dollars;

23 (III) Eight hundred dollars for:

24 (A) A qualified individual OR A SURVIVING SPOUSE filing a single
25 return who has a federal adjusted gross income greater than twelve
26 thousand five hundred dollars but less than or equal to fifteen thousand
27 dollars;

1 (B) Two qualified individuals filing a joint return with a federal
2 adjusted gross income greater than twenty thousand dollars but less than
3 or equal to twenty-four thousand dollars; or

4 (C) A qualified individual and a nonqualified individual filing a
5 joint return with a federal adjusted gross income greater than twenty
6 thousand dollars but less than or equal to twenty-four thousand dollars;

7 (IV) Six hundred dollars for:

8 (A) A qualified individual OR A SURVIVING SPOUSE filing a single
9 return who has a federal adjusted gross income greater than fifteen
10 thousand dollars but less than or equal to seventeen thousand five
11 hundred dollars;

12 (B) Two qualified individuals filing a joint return with a federal
13 adjusted gross income greater than twenty-four thousand dollars but less
14 than or equal to twenty-eight thousand dollars; or

15 (C) A qualified individual and a nonqualified individual filing a
16 joint return with a federal adjusted gross income greater than twenty-four
17 thousand dollars but less than or equal to twenty-eight thousand dollars;
18 and

19 (V) Four hundred dollars for:

20 (A) A qualified individual OR A SURVIVING SPOUSE filing a single
21 return who has a federal adjusted gross income greater than seventeen
22 thousand five hundred dollars but less than or equal to twenty thousand
23 dollars;

24 (B) Two qualified individuals filing a joint return with a federal
25 adjusted gross income greater than twenty-eight thousand dollars but less
26 than or equal to thirty-two thousand dollars; or

27 (C) A qualified individual and a nonqualified individual filing a

1 joint return with a federal adjusted gross income greater than twenty-eight
2 thousand dollars but less than or equal to thirty-two thousand dollars.

3 (b) (I) A qualified individual OR A SURVIVING SPOUSE who files a
4 single return and has a federal adjusted gross income greater than twenty
5 thousand dollars is not allowed a credit under this section.

6 (II) Two qualified individuals, or a qualified individual and a
7 nonqualified individual, who file a joint return with a federal adjusted
8 gross income greater than thirty-two thousand dollars are not allowed a
9 credit under this section.

10 (c) (I) The department of revenue shall annually adjust for
11 inflation the credit amounts set forth in subsection (4)(a) of this section
12 if cumulative inflation since the last adjustment, when applied to the
13 current credit amounts, results in an increase of at least ten dollars when
14 the adjusted credit amounts are rounded to the nearest ten dollars.

15 (II) The department of revenue shall annually adjust for inflation
16 the adjusted gross income amounts set forth in subsections (4)(a) and
17 (4)(b) of this section if cumulative inflation since the last adjustment,
18 when applied to the current adjusted gross income amounts, results in an
19 increase of at least one hundred dollars when the adjusted gross income
20 amounts, as adjusted, are rounded to the nearest one hundred dollars.

21 (5) (a) If the credit exceeds the income taxes due on the qualified
22 individual's OR SURVIVING SPOUSE'S income, the amount of the credit not
23 used to offset income taxes is not carried forward and must be refunded
24 to the qualified individual OR SURVIVING SPOUSE.

25 (b) A QUALIFIED INDIVIDUAL OR SURVIVING SPOUSE IS ALLOWED
26 ONE CREDIT PURSUANT TO THIS SECTION PER INCOME TAX YEAR.

27 ~~(6) A qualified individual who claims the credit cannot in the~~

1 same tax year also claim the grant allowed pursuant to section 39-31-101.

2 (7) (6) The credit received pursuant to this section is not treated
3 as income for purposes of determining the eligibility of any individual for
4 old age pension benefits under article 2 of title 26.

5 (8) (7) Notwithstanding section 39-21-304 (4), the credit
6 continues indefinitely.

7 (9) The credit allowed by this section is administered in the same
8 manner as other credits against the tax imposed by article 22 of this title
9 39.

10 (8) IN THE CASE OF A PART-YEAR RESIDENT, THE CREDIT ALLOWED
11 UNDER THIS SECTION IS APPORTIONED IN THE RATIO DETERMINED UNDER
12 SECTION 39-22-110 (1).

13 **SECTION 10.** In Colorado Revised Statutes, add 39-22-311 as
14 follows:

15 **39-22-311. Net income subtraction - tax preference**
16 **performance statement - definition.** (1) IN ACCORDANCE WITH SECTION
17 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX
18 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT
19 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL
20 ASSEMBLY FINDS AND DECLARES THAT:

21 (a) SECTION 280C OF THE INTERNAL REVENUE CODE PREVENTS A
22 TAXPAYER FROM SUBTRACTING CERTAIN EXPENSES THAT THE TAXPAYER
23 USES TO QUALIFY FOR CERTAIN FEDERAL TAX CREDITS FROM THE FEDERAL
24 TAXABLE INCOME, SO THAT A TAXPAYER DOES NOT RECEIVE A
25 DUPLICATIVE FEDERAL TAX BENEFIT FROM THESE EXPENSES;

26 (b) WHILE COLORADO USES FEDERAL TAXABLE INCOME AS THE
27 BASIS FOR DETERMINING COLORADO TAXABLE INCOME, THERE ARE NOT

1 STATE TAX CREDITS EQUIVALENT TO THE FEDERAL TAX CREDITS THAT
2 WOULD RESULT IN A TAXPAYER RECEIVING A DUPLICATIVE TAX BENEFIT
3 FOR INCURRING CERTAIN EXPENSES BUT FOR SECTION 280C OF THE
4 INTERNAL REVENUE CODE;

5 (c) THE PURPOSE OF THE TAX EXPENDITURE PROVIDED FOR IN THIS
6 SECTION IS TO REDUCE STRUCTURAL INEFFICIENCIES IN THE TAX
7 STRUCTURE AND PROVIDE A REDUCTION IN INCOME TAX LIABILITY FOR
8 CERTAIN TAXPAYERS BY ALLOWING A TAXPAYER WHO INCURS EXPENSES
9 THAT THE TAXPAYER CANNOT DEDUCT FROM THEIR FEDERAL TAXABLE
10 INCOME PURSUANT TO SECTION 280C OF THE INTERNAL REVENUE CODE TO
11 RECEIVE A SUBTRACTION FROM STATE INCOME TAX FOR THOSE EXPENSES;
12 AND

13 (d) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
14 MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE PROVIDED FOR IN
15 THIS SECTION IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (1)(a)
16 OF THIS SECTION BASED ON THE NUMBER AND VALUE OF THE CLAIMED TAX
17 EXPENDITURE.

18 (2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, BEGINNING
19 JANUARY 1, 2026, THERE SHALL BE SUBTRACTED FROM A TAXPAYER'S
20 FEDERAL TAXABLE INCOME THE AMOUNT OF EXPENSES THE TAXPAYER
21 PAID OR INCURRED FOR THE TAXABLE YEAR, THE DEDUCTION FOR WHICH
22 IS DISALLOWED BY SECTION 280C OF THE INTERNAL REVENUE CODE.

23 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES, "TAXPAYER" MEANS ANY TAXPAYER SUBJECT TO THE TAX
25 IMPOSED BY THIS ARTICLE 22 WHOSE NET INCOME AND STATE INCOME TAX
26 LIABILITY IS DETERMINED PURSUANT TO THIS SUBPART 1.

27 **SECTION 11.** In Colorado Revised Statutes, 39-22-509, **amend**

1 (2)(d) as follows:

2 **39-22-509. Credit against tax - employer expenditures for**
3 **alternative transportation options for employees - legislative**
4 **declaration - definitions - repeal.** (2) As used in this section, unless the
5 context otherwise requires:

6 (d) "Local government" means any home rule city, town, COUNTY
7 or city and county, ~~or~~ AND ANY statutory city, ~~or~~ town, OR COUNTY.

8 **SECTION 12.** In Colorado Revised Statutes, 39-22-537.5,
9 **amend** (3)(a); and **add** (5) as follows:

10 **39-22-537.5. Credit for personal property taxes paid -**
11 **legislative declaration - definitions - repeal.** (3) (a) For income tax
12 years commencing on or after January 1, 2019, BUT BEFORE JANUARY 1,
13 2026, a taxpayer is allowed a credit against the tax imposed by this article
14 22 equal to the property tax paid in Colorado during the income tax year
15 on up to eighteen thousand dollars of the total actual value of the
16 taxpayer's personal property.

17 (5) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

18 **SECTION 13.** In Colorado Revised Statutes, 39-22-514.5,
19 **amend** (8)(b)(III) introductory portion as follows:

20 **39-22-514.5. Tax credit for qualified costs incurred in**
21 **preservation of historic structures - commercial historic preservation**
22 **tax credit program cash fund - tax preference performance statement**
23 **- legislative declaration - short title - definitions.** (8) **Deadline for**
24 **incurring specified amount of estimated costs of rehabilitation - proof**
25 **of compliance - audit of cost and expense certification - issuance of**
26 **tax credit certificate - commercial structures.** (b) Following the
27 completion of a rehabilitation of a qualified commercial structure, the

1 owner shall notify the office that the rehabilitation has been completed
2 and shall certify the qualified rehabilitation costs and expenses. The
3 applicant shall include a review of the certification by a licensed certified
4 public accountant that is not affiliated with the qualified applicant, and
5 the review of the certification must align with office policies for
6 certification of qualified rehabilitation expenditures. The office and the
7 historical society shall review the documentation of the rehabilitation and
8 the historical society shall verify that the documentation satisfies the
9 rehabilitation plan. Within ninety days after receipt of such
10 documentation from the owner, the office shall issue a tax credit
11 certificate in an amount equal to the following subject to subsection (8)(c)
12 of this section:

13 (III) FOR INCOME TAX YEARS COMMENCING PRIOR TO JANUARY 1,
14 2030, AND FOR APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (5)
15 OF THIS SECTION PRIOR TO JANUARY 1, 2026, with respect to a certified
16 historic structure that is a qualified commercial structure that is located
17 in an area that the president of the United States has determined to be a
18 major disaster area under section 102 (2) of the federal "Robert T.
19 Stafford Disaster Relief and Emergency Assistance Act", 42 U.S.C. sec.
20 5121 et seq., or that is located in an area that the governor has determined
21 to be a disaster area under the "Colorado Disaster Emergency Act", part
22 7 of article 33.5 of title 24, the tax credit amounts specified in subsections
23 (8)(b)(I) and (8)(b)(II) of this section must be increased as follows for an
24 application that is filed within six years after the disaster determination:

25 **SECTION 14.** In Colorado Revised Statutes, 39-22-544, **amend**
26 (4)(c) as follows:

27 **39-22-544. Credit against tax - qualifying seniors - creation -**

1 **legislative declaration - definitions - repeal.** (4) (c) (I) For the income
2 tax year commencing on January 1, 2022, notwithstanding subsections
3 (4)(a) and (4)(b) of this section, a taxpayer who also qualifies for a grant
4 under article 31 of this title 39 during calendar year 2022 is eligible to
5 receive the full credit without an income-based reduction that otherwise
6 applies for the taxpayer under subsection (4)(a) or (4)(b) of this section.

7 (II) THIS SUBSECTION (4)(c) IS REPEALED, EFFECTIVE DECEMBER
8 31, 2026.

9 **SECTION 15.** In Colorado Revised Statutes, 39-22-2003, **amend**
10 (5)(c)(I); and **add** (5)(c)(III) as follows:

11 **39-22-2003. State sales tax refund - offset against state income**
12 **tax - qualified individuals - definitions - repeal.**

13 (5) (c) (I) Notwithstanding any provision of subsection (5)(b) of this
14 section to the contrary, BEFORE JANUARY 1, 2026, a qualified individual
15 as defined in subsection (1)(a)(II) or (1)(a)(IV) of this section who claims
16 a property tax or heat or fuel assistance grant pursuant to section
17 39-31-101 may claim a refund authorized by this section on the assistance
18 grant application form described in section 39-31-102 (2). Claiming a
19 refund on such assistance grant application form is in lieu of claiming the
20 refund on an income tax return pursuant to subsection (5)(b) of this
21 section. Any refund claimed pursuant to this subsection (5)(c) must be
22 claimed on or before October 15 of the calendar year following the tax
23 year for which the refund is being claimed.

24 (III) THIS SUBSECTION (5)(c) IS REPEALED, EFFECTIVE DECEMBER
25 31, 2026.

26 **SECTION 16.** In Colorado Revised Statutes, 39-26-102, **amend**
27 (5.7) and (15)(c) as follows:

1 **39-26-102. Definitions.** As used in this article 26, unless the
2 context otherwise requires:

3 (5.7) "Mainframe computer access" means the provision of access
4 to computer equipment for the purpose of storing or processing data.
5 "Mainframe computer access" does not include the provision of access to
6 computer equipment for the purpose of examining or acquiring data
7 maintained by the vendor. ~~"Mainframe computer access" does not include~~
8 ~~the provision of access to computer equipment incident to electronic~~
9 ~~computer software delivery, as defined in subsection (15)(c)(H)(C) of this~~
10 ~~section, or incident to the use of computer software hosted by an~~
11 ~~application service provider, as defined in subsection (15)(c)(H)(A) of~~
12 ~~this section.~~

13 (15) (c) (I) "Tangible personal property", ~~commencing July 1,~~
14 ~~2012, shall include~~ INCLUDES computer software if the computer software
15 is: ~~meets all of the following criteria~~

16 (A) ~~The computer software is prepackaged~~ AVAILABLE for
17 repeated sale or license; AND

18 (B) ~~The use of the computer software is~~ Governed by a ~~tear-open~~
19 nonnegotiable license agreement; and

20 (C) ~~The computer software is delivered to the customer in a~~
21 ~~tangible medium. Computer software is not delivered to the customer in~~
22 ~~a tangible medium if it is provided through an application service~~
23 ~~provider, delivered by electronic computer software delivery, or~~
24 ~~transferred by load and leave computer software delivery.~~

25 (I.5) TANGIBLE PERSONAL PROPERTY DOES NOT INCLUDE CUSTOM
26 SOFTWARE DEVELOPED FOR USE BY A PARTICULAR USER.

27 (II) As used in this ~~paragraph (c)~~ SUBSECTION (15)(c), unless the

1 context otherwise requires:

2 (A) ~~"Application service provider" or "ASP" means an entity that~~
3 ~~retains custody over or hosts computer software for use by third parties.~~
4 ~~Users of the computer software hosted by an ASP typically will access the~~
5 ~~computer software via the internet. The ASP may or may not own or~~
6 ~~license the computer software, but generally will own and maintain~~
7 ~~hardware and networking equipment required for the user to access the~~
8 ~~computer software. Where the ASP owns the computer software, the ASP~~
9 ~~may charge the user a license fee for the computer software or a fee for~~
10 ~~maintaining the computer software or hardware used by its customer.~~

11 (B) "Computer software" means a set of coded instructions THAT
12 ARE BOTH designed to cause a computer or ~~automatic data processing~~
13 ~~equipment to perform a task~~ other electronic device to perform a task AND
14 ARE DELIVERED BY ANY MEANS, INCLUDING COMPACT DISC, DOWNLOAD,
15 OR REMOTE ACCESS THROUGH THE INTERNET. COMPUTER SOFTWARE
16 INCLUDES APPLICATIONS OR APPS INSTALLED ON CELLULAR PHONES,
17 TABLETS, OR OTHER MOBILE DEVICES.

18 (C) ~~"Electronic computer software delivery" means computer~~
19 ~~software transferred by remote telecommunications to the purchaser's~~
20 ~~computer, where the purchaser does not obtain possession of any tangible~~
21 ~~medium in the transaction.~~

22 (D) ~~"Load and leave computer software delivery" means delivery~~
23 ~~of computer software to the purchaser by use of a tangible medium where~~
24 ~~the title to or possession of the tangible medium is not transferred to the~~
25 ~~purchaser, and where the computer software is manually loaded by the~~
26 ~~vendor, or the vendor's representative, at the purchaser's location.~~

27 (E) ~~"Prepackaged for repeated sale or license" means computer~~

1 software that is prepackaged for repeated sale or license in the same form
2 to multiple users without modification, and is typically sold in a
3 shrink-wrapped box.

4 (F) "Tangible medium" means a tape, disk, compact disc, card, or
5 comparable physical medium.

6 (G) "Tear-open nonnegotiable license agreement" means a license
7 agreement contained on or in the package, which by its terms becomes
8 effective upon opening of the package and accepting the licensing
9 agreement. "Tear-open nonnegotiable license agreement" does not
10 include a written license agreement or contract signed by the licensor and
11 the licensee.

12 (III) The internalized instruction code that controls the basic
13 operations, such as arithmetic and logic, of the computer causing it to
14 execute instructions contained in system programs is an integral part of
15 the computer and is not normally accessible or modifiable by the user.
16 Such internalized instruction code is considered part of the hardware and
17 considered tangible personal property that is taxable pursuant to section
18 39-26-104 (1)(a). The fact that the vendor does or does not charge
19 separately for such code is immaterial.

20 (IV) If a retailer sells computer software to a Colorado purchaser
21 that is considered tangible personal property taxable pursuant to section
22 39-26-104 (1)(a) and the Colorado purchaser pays the retailer for a
23 quantity of computer software licenses with the intent to distribute the
24 computer software to any of the purchaser's locations outside of
25 Colorado, the measure of Colorado sales tax due is the total of the license
26 fees associated only with the licenses that are actually used in Colorado.
27 The Colorado purchaser shall provide a written statement to the retailer;

1 ~~attesting to the amount of the license fees associated with Colorado and~~
2 ~~with points outside of Colorado. The written statement shall relieve the~~
3 ~~retailer of any liability associated with the proration.~~

4 **SECTION 17.** In Colorado Revised Statutes, 39-26-104, **add**
5 (1)(c.5) as follows:

6 **39-26-104. Property and services taxed - definitions.** (1) There
7 is levied and there shall be collected and paid a tax in the amount stated
8 in section 39-26-106 as follows:

9 (c.5) BEGINNING JULY 1, 2025, UPON TELEPHONE AND TELEGRAPH
10 SERVICES, WHETHER FURNISHED BY PUBLIC OR PRIVATE CORPORATIONS OR
11 ENTERPRISES FOR INTERSTATE TELEPHONE AND TELEGRAPH SERVICE, IF
12 THE TELEPHONE AND TELEGRAPH SERVICE ORIGINATES IN THE STATE AND
13 IS CHARGED TO A COLORADO ADDRESS.

14 **SECTION 18.** In Colorado Revised Statutes, 39-27-105, **amend**
15 (2)(b) as follows:

16 **39-27-105. Collection of tax on gasoline and special fuel - rules**
17 **- repeal.** (2) (b) (I) BEFORE JULY 1, 2025, from the amount of tax
18 computed under subsection (2)(a) of this section, the distributor shall
19 deduct one-half of one percent to cover expenses of payment of the tax
20 and bad debt losses and shall pay the remaining balance to the department
21 of revenue and file the statement required by subsection (1) of this section
22 on or before the twenty-sixth day of each calendar month. If any
23 distributor is delinquent in remitting the tax, except in unusual
24 circumstances shown to the satisfaction of the executive director of the
25 department of revenue, the retailer shall not be allowed to deduct any
26 amount under this subsection (2)(b).

27 (II) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE JULY 1, 2029.

1 **SECTION 19.** In Colorado Revised Statutes, 39-30-104, **amend**
2 (1)(a) and (2)(c)(IV) as follows:

3 **39-30-104. Credit against tax - investment in certain property**
4 **- definitions.** (1) (a) (I) There ~~shall be~~ IS allowed to any person as a
5 credit against the tax imposed by article 22 of this title 39, for income tax
6 years commencing on or after January 1, 1986, an amount equal to the
7 total of three percent of the total qualified investment, as determined
8 under section 46 (c)(2) of the federal "Internal Revenue Code of 1986",
9 as amended, in such taxable year in qualified property as defined in
10 section 48 of the internal revenue code to the extent that such investment
11 is in property that is used solely and exclusively in an enterprise zone for
12 at least one year. The references in this subsection (1) to sections 46
13 (c)(2) and 48 of the internal revenue code mean sections 46 (c)(2) and 48
14 of the internal revenue code as they existed immediately prior to the
15 enactment of the federal "Revenue Reconciliation Act of 1990".

16 (II) (A) NOTWITHSTANDING SUBSECTION (1)(a)(I) OF THIS
17 SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
18 1, 2026, A TAXPAYER IS NOT ALLOWED TO CLAIM A TOTAL CREDIT AMOUNT
19 AGAINST THE TAX IMPOSED BY ARTICLE 22 OF THIS TITLE 39 PURSUANT TO
20 SUBSECTION (1)(a)(I) OF THIS SECTION IN EXCESS OF TWO MILLION
21 DOLLARS AND A TAXPAYER MAY NOT CLAIM A CREDIT PURSUANT TO THIS
22 SECTION IF THAT TAXPAYER IS INVOLVED IN: THE EXTRACTION OF OIL AND
23 GAS OR HARD ROCK MINERALS, AVIATION, THE RETAIL SALE OF FUEL
24 PRODUCTS, OR THE CONSTRUCTION OF A WIRELESS TELECOMMUNICATIONS
25 FACILITY.

26 (B) A TAXPAYER MAY SEEK A WAIVER OF THE LIMITATION ON THE
27 AMOUNT OF CREDIT ESTABLISHED IN SUBSECTION (1)(a)(II)(A) OF THIS

1 SECTION BY COMPLETING A WRITTEN APPLICATION TO THE COLORADO
2 ECONOMIC DEVELOPMENT COMMISSION FOR PERMISSION TO CLAIM A
3 CREDIT IN EXCESS OF THAT LIMITATION FOR THE INCOME TAX YEAR IN
4 WHICH THE TOTAL QUALIFIED INVESTMENT IS MADE. THE APPLICATION
5 MUST INCLUDE IDENTIFICATION OF THE SUBSTANTIAL POSITIVE IMPACT
6 THAT THE WAIVER OF THE LIMITATION WOULD HAVE ON INVESTMENTS AND
7 ON WELL-PAYING JOBS IN THE ENTERPRISE ZONE, DOCUMENTATION THAT
8 DEMONSTRATES THAT WITHOUT THE WAIVER OF THE LIMITATION THE
9 SUBSTANTIAL POSITIVE IMPACT ON INVESTMENTS AND ON WELL-PAYING
10 JOBS IN THE ENTERPRISE ZONE IS NOT LIKELY TO OCCUR, AND
11 INFORMATION THAT THE WAIVER OF THE LIMITATION IS A SUBSTANTIAL
12 FACTOR IN THE TAXPAYER'S DECISION TO MAKE A QUALIFIED INVESTMENT
13 IN THE START-UP, EXPANSION, OR RELOCATION OF THE TAXPAYER'S
14 BUSINESS, SUCH THAT WITHOUT THE WAIVER THE TAXPAYER IS NOT LIKELY
15 TO MAKE THE QUALIFIED INVESTMENT. IN DECIDING WHETHER TO GRANT
16 THE WAIVER OF THE LIMITATION, THE COMMISSION MUST CONSIDER THE
17 OVERALL ECONOMIC HEALTH OF THIS STATE AND THE ECONOMIC VIABILITY
18 OF THE ARGUMENTS MADE BY THE TAXPAYER IN SUPPORT OF THE
19 TAXPAYER'S APPLICATION. THE COLORADO ECONOMIC DEVELOPMENT
20 COMMISSION MAY REQUIRE THE TAXPAYER TO PROVIDE AN INDEPENDENT
21 ANALYSIS, AT THE TAXPAYER'S EXPENSE, THAT SUBSTANTIATES THE
22 TAXPAYER'S ARGUMENTS IN SUPPORT OF THE APPLICATION. THE
23 TAXPAYER'S APPLICATION MUST BE CONSIDERED AT A REGULARLY
24 SCHEDULED MEETING OF THE COLORADO ECONOMIC DEVELOPMENT
25 COMMISSION AT WHICH THE PUBLIC IS ALLOWED TO COMMENT.

26 (C) THE COLORADO ECONOMIC DEVELOPMENT COMMISSION MAY
27 ALLOW ALL, PART, OR NONE OF A TAXPAYER'S APPLICATION TO WAIVE THE

1 LIMITATION ON THE AMOUNT OF CREDIT ESTABLISHED IN SUBSECTION
2 (1)(a)(II)(A) OF THIS SECTION. THE COLORADO ECONOMIC DEVELOPMENT
3 COMMISSION MUST ISSUE A CREDIT CERTIFICATE THAT SETS FORTH THE
4 AMOUNT OF THE CREDIT THAT THE TAXPAYER MAY CLAIM FOR THE INCOME
5 TAX YEAR IN WHICH THE TOTAL QUALIFIED INVESTMENT IS MADE. THE
6 TAXPAYER SHALL SUBMIT THE CREDIT CERTIFICATE TO THE DEPARTMENT
7 OF REVENUE WITH THE TAXPAYER'S INCOME TAX RETURN FOR THE TAX
8 YEAR FOR WHICH THE COLORADO ECONOMIC DEVELOPMENT COMMISSION
9 ISSUED THE CREDIT CERTIFICATE.

10 (D) IF THE COLORADO ECONOMIC DEVELOPMENT COMMISSION
11 APPROVES. IN WHOLE OR IN PART, A TAXPAYER'S APPLICATION TO WAIVE
12 THE LIMITATION ON THE AMOUNT OF CREDIT ESTABLISHED IN SUBSECTION
13 (1)(a)(II)(A) OF THIS SECTION, THE COLORADO ECONOMIC DEVELOPMENT
14 COMMISSION SHALL INCLUDE ITS DECISION IN THE ENTERPRISE ZONE
15 ANNUAL REPORT TO THE GENERAL ASSEMBLY, INCLUDING THE TAXPAYER'S
16 NAME, THE AMOUNT OF THE CREDIT THAT THE COMMISSION ALLOWED THE
17 TAXPAYER TO CLAIM, AND THE COLORADO ECONOMIC DEVELOPMENT
18 COMMISSION'S JUSTIFICATION FOR APPROVING THE APPLICATION.

19 (E) FOR PURPOSES OF THIS SUBSECTION (1)(a), "FUEL PRODUCTS"
20 MEANS ALL GASOLINE; AVIATION GASOLINE; AVIATION TURBINE FUEL;
21 DIESEL; JET FUEL; FUEL OIL; BIODIESEL; BIODIESEL BLENDS; KEROSENE;
22 ALL ALCOHOL BLENDED FUELS; LIQUEFIED PETROLEUM GAS; GAS OR
23 GASEOUS COMPOUNDS, INCLUDING HYDROGEN; NATURAL GAS, INCLUDING
24 COMPRESSED NATURAL GAS AND LIQUEFIED NATURAL GAS; AND ALL
25 OTHER VOLATILE, FLAMMABLE, OR COMBUSTIBLE LIQUIDS THAT ARE
26 PRODUCED, COMPOUNDED, AND OFFERED FOR SALE OR USED FOR THE
27 PURPOSE OF GENERATING HEAT, LIGHT, OR POWER IN INTERNAL

1 COMBUSTION ENGINES OR FUEL CELLS, FOR CLEANING, OR FOR ANY OTHER
2 SIMILAR USAGE.

3 (F) FOR PURPOSES OF THIS SUBSECTION (1)(a), "WIRELESS
4 TELECOMMUNICATIONS FACILITY" OR "FACILITY" MEANS EQUIPMENT AT
5 A FIXED LOCATION THAT ENABLES WIRELESS COMMUNICATIONS BETWEEN
6 USER EQUIPMENT AND A COMMUNICATIONS NETWORK, INCLUDING MACRO
7 AND SMALL WIRELESS FACILITIES, TRANSCEIVERS, ANTENNAS, COAXIAL OR
8 FIBER-OPTIC CABLE, REGULAR AND BACKUP POWER SUPPLIES, AND
9 COMPARABLE EQUIPMENT, REGARDLESS OF TECHNOLOGICAL
10 CONFIGURATION; AND THE SUPPORT STRUCTURE OR IMPROVEMENTS ON,
11 UNDER, OR WITHIN WHICH THE EQUIPMENT IS COLLOCATED.

12 (2) (c) (IV) The limitation contained in this ~~paragraph (c)~~
13 SUBSECTION (2)(c) on the amount a taxpayer may claim for the income tax
14 year in which the total qualified investment is made does not limit the
15 total amount of the credit allowed under ~~subsection (1)~~ SUBSECTION (1)(a)
16 of this section, nor does it limit the ability of a taxpayer to ~~carryover~~
17 CARRY OVER a credit to subsequent tax years as allowed in ~~subparagraph~~
18 ~~(HH) of this paragraph (c)~~ SUBSECTION (2)(c)(III) OF THIS SECTION or
19 previously allowed in subsection (2.5) of this section.

20 **SECTION 20.** In Colorado Revised Statutes, 39-31-101, **amend**
21 (1)(a) introductory portion, (2)(d), (2.1), (5)(a), (5)(c)(I), (5)(c)(II),
22 (5)(d)(I), (5)(d)(II), and (5)(e) as follows:

23 **39-31-101. Real property tax - tax equivalent - assistance -**
24 **heat or fuel expenses assistance - eligibility - applicability - definitions**
25 **- repeal.** (1) (a) BEFORE JANUARY 1, 2026, individuals having resided
26 within this state for the entire taxable year who are sixty-five years of age
27 or older during the taxable year are eligible for a grant to be determined

1 with respect to the income taxes imposed by article 22 of this title 39,
2 subject to the additional qualification requirements of this section, to aid
3 in the payment by such individuals of:

4 (2) A grant is the amount of the general property taxes actually
5 paid on the residence or the amount of taxes actually paid on a mobile
6 home, plus any tax-equivalent payments computed pursuant to subsection
7 (4) of this section, with respect to the rent of a trailer space during the
8 year for which the grant is claimed, the amount of the specific ownership
9 tax actually paid on a trailer coach, or the amount of the tax-equivalent
10 payments, computed pursuant to subsection (4) of this section, actually
11 made during the year for which such grant is claimed, but in no event may
12 it exceed:

13 (d) For a grant claimed for the 2023 calendar year, either eight
14 hundred seventy-two dollars reduced by ten percent of the claimant's
15 income over the phase-out amount or the property tax flat grant amount,
16 whichever amount is greater. For a grant claimed for years commencing
17 on or after January 1, 2024, BUT BEFORE JANUARY 1, 2026, either the
18 maximum grant amount allowed under this subsection (2)(d) for the prior
19 year, adjusted for inflation and reduced by ten percent of the claimant's
20 income over the phase-out amount, or the property tax flat grant amount,
21 whichever amount is greater.

22 (2.1) For a grant claimed for the 2023 calendar year, either two
23 hundred forty dollars reduced by ten percent of the claimant's income
24 over the phase-out amount or the heat or fuel expenses flat grant amount,
25 whichever amount is greater. For a grant claimed for years commencing
26 on or after January 1, 2024, BUT BEFORE JANUARY 1, 2026, either the
27 maximum grant amount allowed under this subsection (2.1) for the prior

1 year, adjusted for inflation and reduced by ten percent of the claimant's
2 income over the phase-out amount, or the heat or fuel expenses flat grant
3 amount, whichever amount is greater.

4 (5) As used in this section:

5 (a) "Heat or fuel expenses flat grant amount" means an amount
6 equal to ninety-two dollars for the 2023 calendar year, and for each year
7 thereafter, UNTIL JANUARY 1, 2026, the amount for the prior year adjusted
8 for inflation.

9 (c) "Maximum eligible income amount" means:

10 (I) For an individual, income that is less than or equal to eighteen
11 thousand twenty-six dollars for the 2023 calendar year and for each year
12 thereafter, UNTIL JANUARY 1, 2026, the amount for the prior year adjusted
13 for inflation; and

14 (II) For spouses, income that is less than or equal to twenty-four
15 thousand three hundred forty-five dollars for the 2023 calendar year and
16 for each year thereafter, UNTIL JANUARY 1, 2026, the amount for the prior
17 year adjusted for inflation.

18 (d) "Phase-out amount" means:

19 (I) In the case of an individual, an amount equal to nine thousand
20 six hundred ninety-two dollars for the 2023 calendar year and for each
21 year thereafter, UNTIL JANUARY 1, 2026, the amount for the prior year
22 adjusted for inflation; and

23 (II) In the case of spouses, an amount equal to fifteen thousand six
24 hundred sixty-eight dollars for the 2023 calendar year and for each year
25 thereafter, UNTIL JANUARY 1, 2026, the amount for the prior year adjusted
26 for inflation.

27 (e) "Property tax flat grant amount" means an amount equal to two

1 hundred eighty-two dollars for the 2023 calendar year, and for each year
2 thereafter, UNTIL JANUARY 1, 2026, the amount for the prior year adjusted
3 for inflation.

4 **SECTION 21.** In Colorado Revised Statutes, 39-31-102, **amend**
5 (2) and (3) as follows:

6 **39-31-102. Procedures to obtain grant - department of revenue**
7 **- responsibilities.** (2) The executive director shall prescribe the forms to
8 be used for the grants authorized by section 39-31-101 ~~and the credit~~
9 ~~allowed pursuant to section 39-31-104.5~~ and prepare any instructions
10 related to the forms. The executive director may create an electronic form
11 to be used in addition to the paper form. If a sales tax refund is allowed
12 for any given income tax year in accordance with section 39-22-2002, the
13 executive director shall include provisions on the forms to allow qualified
14 individuals to apply for the refund pursuant to section 39-22-2003 (5)(c).
15 To receive a grant, ~~or credit~~, an individual must claim the grant ~~or credit~~
16 on the executive director's form.

17 (3) (a) If two or more individuals, other than spouses, are entitled
18 to a grant authorized by section 39-31-101, ~~or a credit allowed pursuant~~
19 ~~to section 39-31-104.5~~, the grant ~~or credit~~ may be claimed by either or any
20 of the individuals. When two or more individuals claim the grant ~~or credit~~
21 for the same residence, the executive director is authorized to determine
22 the proper allocation of the grant. ~~or credit~~

23 (b) No grant ~~or credit~~ received pursuant to this article 31 is treated
24 as income for purposes of determining the eligibility of any individual for
25 old age pension benefits under article 2 of title 26.

26 **SECTION 22. Repeal of relocated provisions in this act.** In
27 Colorado Revised Statutes, **repeal** 39-31-104.5.

1 **SECTION 23.** In Colorado Revised Statutes, **add** 39-31-106 as
2 follows:

3 **39-31-106. Repeal of article.** THIS ARTICLE 31 IS REPEALED,
4 EFFECTIVE DECEMBER 31, 2026.

5 **SECTION 24. Effective date.** This act takes effect upon passage;
6 except that section 16 of this act takes effect on July 1, 2025, and sections
7 4 and 5 of this act take effect December 31, 2026.

8 **SECTION 25. Safety clause.** The general assembly finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety or for appropriations for
11 the support and maintenance of the departments of the state and state
12 institutions.