

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
9/5/24

BILL 9

LLS NO. 25-0223.01 Jason Gelender x4330

INTERIM COMMITTEE BILL

Legislative Oversight Committee Concerning Tax Policy

BILL TOPIC: Income Tax Credit for Eligible Teachers

A BILL FOR AN ACT

101 **CONCERNING A STATE INCOME TAX CREDIT FOR A LICENSED TEACHER**
102 **WHO IS EMPLOYED AS A TEACHER IN A PUBLIC SCHOOL ON A**
103 **FULL-TIME BASIS FOR AT LEAST ONE-HALF OF AN ACADEMIC**
104 **YEAR.**

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, but before January 1, 2027, the bill allows a refundable state income tax credit,

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

which is intended to offset the various expenses that licensed teachers often incur throughout an academic year for classroom supplies, professional development costs, supplemental educational materials, field trips, and other items that improve the quality of the educational services that they provide, to a licensed teacher who is employed as a teacher in a public school on a full-time basis for at least one-half of an academic year (eligible teacher) during the income tax year for which the credit is claimed. The amount of the credit is \$1,000 for an eligible teacher who is employed for the equivalent of an entire academic year and \$500 for an eligible teacher who is employed for one-half of an academic year. Two eligible teachers who file a joint income tax return may each claim the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-571 as
3 follows:

4 **39-22-571. Credit - licensed teachers - tax preference**
5 **performance statement - legislative declaration - definitions - repeal.**

6 (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

7 (I) LICENSED TEACHERS WHO TEACH IN PUBLIC SCHOOLS OFTEN
8 SPEND THEIR OWN MONEY TO PAY FOR CLASSROOM SUPPLIES,
9 PROFESSIONAL DEVELOPMENT COSTS, SUPPLEMENTAL EDUCATIONAL
10 MATERIALS, FIELD TRIPS, AND OTHER ITEMS THAT IMPROVE THE QUALITY
11 OF THE EDUCATIONAL SERVICES THAT THEY PROVIDE;

12 (II) THESE ITEMS PURCHASED BY LICENSED TEACHERS WITH THEIR
13 OWN MONEY BENEFIT THEIR STUDENTS AND THE PUBLIC, AND THE PUBLIC
14 SHOULD BE RESPONSIBLE FOR BEARING THEIR COSTS; AND

15 (III) THE INCOME TAX CREDIT CREATED IN THIS SECTION IS
16 INTENDED TO SHIFT SOME OF THE COSTS CURRENTLY INCURRED BY
17 LICENSED TEACHERS WHO TEACH IN PUBLIC SCHOOLS THAT SHOULD BE
18 INCURRED BY THE PUBLIC FROM LICENSED TEACHERS TO THE PUBLIC.

19 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH

1 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
2 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
3 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND
4 DECLARES THAT THE PURPOSE OF THE TAX CREDIT CREATED IN THIS
5 SECTION IS TO PROVIDE TAX RELIEF FOR ELIGIBLE TEACHERS. THE
6 GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE
7 EFFECTIVENESS OF THE CREDIT IN ACHIEVING THIS PURPOSE BASED ON THE
8 NUMBER AND VALUE OF CREDITS CLAIMED.

9 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
10 REQUIRES:

11 (a) "ACADEMIC YEAR" HAS THE SAME MEANING AS SET FORTH IN
12 SECTION 22-63-103 (1).

13 (b) "ELIGIBLE TEACHER" MEANS A TEACHER WHO IS EMPLOYED
14 FULL-TIME AS A TEACHER FOR AT LEAST ONE-HALF OF AN ACADEMIC YEAR.

15 (c) "ONE-HALF OF AN ACADEMIC YEAR" MEANS EITHER THE
16 PORTION OF AN ACADEMIC YEAR THAT BEGINS IN JANUARY OF AN INCOME
17 TAX YEAR OR THE PORTION OF AN ACADEMIC YEAR THAT ENDS IN
18 DECEMBER OF AN INCOME TAX YEAR.

19 (d) "PUBLIC SCHOOL" MEANS A SCHOOL OF A SCHOOL DISTRICT, A
20 CHARTER SCHOOL AUTHORIZED BY A SCHOOL DISTRICT PURSUANT TO PART
21 1 OF ARTICLE 30.5 OF TITLE 22, A CHARTER SCHOOL AUTHORIZED BY THE
22 STATE CHARTER SCHOOL INSTITUTE PURSUANT TO PART 5 OF ARTICLE 30.5
23 OF TITLE 22, OR A BOARD OF COOPERATIVE SERVICES CREATED AND
24 OPERATING PURSUANT TO ARTICLE 5 OF TITLE 22.

25 (e) "TEACHER" MEANS A RESIDENT INDIVIDUAL WHO HOLDS A
26 VALID TEACHER LICENSE OF ANY TYPE DESCRIBED IN SECTION 22-60.5-201
27 AND IS EMPLOYED TO INSTRUCT STUDENTS IN ANY PUBLIC SCHOOL IN THE

1 STATE.

2 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2027, AN ELIGIBLE TEACHER
4 IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
5 ARTICLE 22 IN THE AMOUNT OF:

6 (I) ONE THOUSAND DOLLARS IF THE ELIGIBLE TEACHER IS
7 EMPLOYED FULL-TIME AS A TEACHER FOR BOTH ONE-HALF OF AN
8 ACADEMIC YEAR THAT BEGINS IN JANUARY OF THE INCOME TAX YEAR FOR
9 WHICH A CREDIT IS CLAIMED AND ONE-HALF OF AN ACADEMIC YEAR THAT
10 ENDS IN DECEMBER OF THAT INCOME TAX YEAR; OR

11 (II) FIVE HUNDRED DOLLARS IF THE ELIGIBLE TEACHER IS
12 EMPLOYED FULL-TIME AS A TEACHER FOR EITHER ONE-HALF OF AN
13 ACADEMIC YEAR THAT BEGINS IN JANUARY OF THE INCOME TAX YEAR FOR
14 WHICH A CREDIT IS CLAIMED OR ONE-HALF OF AN ACADEMIC YEAR THAT
15 ENDS IN DECEMBER OF THAT INCOME TAX YEAR, BUT NOT BOTH.

16 (b) TWO ELIGIBLE TEACHERS WHO FILE A JOINT RETURN MAY EACH
17 CLAIM THE CREDIT IN THE APPLICABLE AMOUNT SPECIFIED IN EITHER
18 SUBSECTION (3)(a)(I) OR (3)(a)(II) OF THIS SECTION.

19 (c) THE AMOUNT OF THE CREDIT UNDER THIS SECTION THAT
20 EXCEEDS THE ELIGIBLE TEACHER'S INCOME TAXES DUE IS REFUNDED TO
21 THE ELIGIBLE TEACHER.

22 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2031.

23 **SECTION 2. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly; except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take
2 effect unless approved by the people at the general election to be held in
3 November 2026 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.