

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

**BILL A**

LLS NO. 23-0095.02 Jessica Herrera x4218

**HOUSE BILL**

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**HOUSE SPONSORSHIP**

**Bird and Sirota, Will**

**SENATE SPONSORSHIP**

**Kolker and Hansen,**

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**House Committees**

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF AN INCOME TAX CREDIT FOR**  
102 **QUALIFYING RETIREES OF COLORADO PUBLIC PENSIONS.**

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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/>.)*

**Pension Review Commission.** The bill creates an income tax credit that is available for income tax years commencing on or after January 1, 2023, but prior to January 1, 2025, for a qualifying public service retiree, which means a full-time Colorado resident individual who is:

- 55 years of age or older at the end of the 2023 or 2024

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

- income tax year; and
- A retiree of a Colorado public pension plan administered pursuant to the Colorado Revised Statutes or a retiree of a public pension plan administered by a local government of the state of Colorado.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-549 as  
3 follows:

4           **39-22-549. Credit against tax - qualifying recipients - creation**  
5 **- legislative declaration - definitions - repeal.** (1) (a) THE GENERAL

6 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

7           (I) INFLATION RATES HAVE INCREASED OVER THE LAST FEW YEARS  
8 AND ARE PREDICTED TO CONTINUE RISING; AND

9           (II) MANY PUBLIC SERVICE RETIREES ARE ON A FIXED INCOME AND  
10 THE COST OF LIVING ADJUSTMENT FOR MANY STATE AND LOCAL  
11 GOVERNMENT PUBLIC PENSION PLANS ARE NOT KEEPING UP WITH THE  
12 RISING INFLATION RATES.

13           (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
14 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
15 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
16 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND  
17 DECLARES THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN  
18 SUBSECTION (2) OF THIS SECTION IS TO PROVIDE TAX RELIEF FOR CERTAIN  
19 INDIVIDUALS, SPECIFICALLY, QUALIFIED PUBLIC SERVICE RETIREES OF  
20 COLORADO PUBLIC PENSION PLANS ADMINISTERED PURSUANT TO THE  
21 COLORADO REVISED STATUTES AND PUBLIC PENSION PLANS  
22 ADMINISTERED BY LOCAL GOVERNMENTS WITHIN THE STATE OF  
23 COLORADO.

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

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

7 (a) "CREDIT" MEANS THE CREDIT AGAINST INCOME TAX THAT IS  
8 CREATED IN THIS SECTION.

9 (b) "QUALIFYING PUBLIC SERVICE RETIREE" MEANS A FULL-TIME  
10 RESIDENT INDIVIDUAL WHO IS:

11 (I) FIFTY-FIVE YEARS OF AGE OR OLDER AT THE CLOSE OF THE  
12 INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED; AND

13 (II) A RETIREE OF A COLORADO PUBLIC PENSION PLAN  
14 ADMINISTERED PURSUANT TO THE COLORADO REVISED STATUTES, OR A  
15 RETIREE OF A PUBLIC PENSION PLAN ADMINISTERED BY A LOCAL  
16 GOVERNMENT OF THE STATE OF COLORADO.

17 (3) FOR THE INCOME TAX YEARS COMMENCING ON OR AFTER  
18 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2025, A QUALIFYING PUBLIC  
19 SERVICE RETIREE IS ALLOWED A CREDIT IN THE AMOUNT OF SEVEN  
20 HUNDRED DOLLARS AGAINST THE TAX IMPOSED BY THIS ARTICLE 22.

21 (4) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION  
22 THAT EXCEEDS THE QUALIFYING PUBLIC SERVICE RETIREE'S INCOME TAXES  
23 DUE IS REFUNDED TO THE QUALIFYING PUBLIC SERVICE RETIREE.

24 (5) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2034.

25 **SECTION 2. Act subject to petition - effective date.** This act  
26 takes effect at 12:01 a.m. on the day following the expiration of the  
27 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
2 of the state constitution against this act or an item, section, or part of this  
3 act within such period, then the act, item, section, or part will not take  
4 effect unless approved by the people at the general election to be held in  
5 November 2024 and, in such case, will take effect on the date of the  
6 official declaration of the vote thereon by the governor.